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REPORT

OF THE

COMMITTEE

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1946

PART II

BOMBAY
G. CLARIDGE AND CO., LTD.
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REPORT

PART II

OF THE

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Bombay Chamber of Commerce

FOR THE YEAR 1946

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PROCEEDINGS OF THE ANNUAL GENERAL MEETING, DOCUMENTS AND STATISTICS

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Bombay Chamber of Commerce

ANNUAL GENERAL MEETING.

The Annual General Meeting of the Members of the Bombay Chamber of Commerce was held in the rooms of the Chamber, Mackinnon Mackenzie & Company's Building, Ballard Estate, on Wednesday, 19th March 1947, at 11-30 a.m. to transact the following business :—

1. To adopt the Report of the Committee of the Chamber for the year 1946.
2. To elect eight ordinary members of the Committee of the Chamber for the year 1947-48 in accordance with the provisions of Article 41.
3. To appoint Auditors of the Chamber's Accounts for the year 1947, and to fix their remuneration.
4. Any other business that may be brought forward.

MR. A. W. PERCY, President of the Chamber, presided and was supported by MR. L. A. HALSALL (Vice-President), MESSRS. C. R. AGAR, C. J. DAMALA, A. L. HUTSON, C. G. MARRABLE, H. C. DE MIERRE, H. F. MILNE, W. L. A. RADCLIFFE and E. W. A. RICHARDSON, Members of the Committee.

Among those present were :—

His Excellency The Right Honourable Sir John Colville, P.C., G.C.I.E., T.D., Governor of Bombay ; Mr. A.E. Bagshawe, Sir Ivon Taunton, C.I.E., I.C.S., Chief Secretary, Government of Bombay ; Brig. S. Smith, Sub-Area Commander, Bombay; Mr. A. C. Whitcher, Collector of Customs, Bombay ; Mr. R. E. Shalom, C. I. E., Postmaster General, Bombay ; Mr. J. H. O'Hagan, H. M. Trade Commissioner at Bombay ; The Principal Officer and Registrar of Shipping, Bombay District ; Colonel Sir Alister J. Ransford, C.I.E., Mint Master, Bombay ; Major Deane, Deputy Mint Master ; Lt.-Comdr. M.F. S. C. Harvey, R.D., R.N.R., Captain Superintendent, I.M.M.T.S. "Dufferin" ; Mr. M. P. Kanga, M.Sc., Director of Industries, Bombay ; Mr. Purshottam Mulji Kapadia, President, Bombay Piecegoods Native Merchants' Association ; Mr. L. F. H. Goodwin, Chairman, European Association (Bombay Branch) ;

Mr. D. W. Mullock, M.L.A., Vice-Chairman, European Asssociation; Mr. C. B. Cockaine, M.L.A., Secretary, European Association; Sir Vithal Chandavarkar, Bombay Millowners' Association; Mr. Ratilal M. Gandhi, President, Mr. Ramdas Kilachand, Vice-President; Mr. A. C. Ramalingam, Secretary, Indian Merchants' Chamber; Mr. S. M. Jamil, Secretary, All-India Muslim Chamber of Commerce and Industry; Mr. G. A. Brown, Canadian Government Trade Commissioner for India, Burma and Ceylon; Mr. W. Kohler, Swiss Trade Commissioner for British India, Burma and Ceylon; Mr. H. R. Gollan, D.S.O., M.C., Senior Australian Government Trade Commissioner; Mr. J. M. Brand, Master, Bombay Presidency Trades Association; Capt. R. C. Vint, The Dy. Conservator, Bombay Port Trust; Capt. H. W. L. T. Davies, The Harbour Master, Bombay Port Trust; The Consul-General for Norway; The Consul-General for Italy.

The following members of the Chamber attended the meeting.

Mr. G. A. H. Alexander	Alexander & Co.
„ H. Hindermann	Amalgamated Chemicals and Dyestuffs Co., Ltd.
„ C. F. Freeman	Andrew Yule & Co., Ltd.
„ R. Flower-Melling	Andrew Yule & Co., Ltd.
„ J. J. Cope	Anglo-Iranian Oil Co. (India), Ltd.
„ H. V. Pointon	Asea Electric Ltd.
„ E. Edling	Asea Electric Ltd.
„ J. Carey Brown	Associated Electrical Industries (India), Ltd.
„ F. P. Eranee	Bell Russ & Co., Ltd.
„ K. P. Eranee	Bell Russ & Co., Ltd.
„ E. W. Dixon	Bennett Coleman & Co., Ltd.
„ G. R. B. Hall	Bennett Coleman & Co., Ltd.
„ W. H. Jackson	Blackie & Sons (India) Ltd.
„ J. B. McMillan	Bourjois (Eastern), Ltd.
Sir Joseph Kay	W. H. Brady & Co., Ltd.
Mr. W. Jenkins	W. H. Brady & Co., Ltd.
„ R. C. Lawson	Burmah-Shell Oil Storage & Distributing Co. of India Ltd.
„ W. J. Burrows	W. J. Burrows.
„ Andrew Cook	Burroughs Wellcome & Co.
„ W. G. Hendrey	Callender's Cable & Construction Co., Ltd.
„ W. H. McFadzean	Callender's Cable & Construction Co., Ltd.
„ C. J. Muir-Hunter	Callender's Cable & Construction Co., Ltd.
„ R. Pannel	Caltex (India), Ltd.
„ C. J. Guiguard	Caltex (India), Ltd.

Mr. Harry Godfrey ..	The Central Agency Ltd.
„ J. R. Coldwell ..	
„ Charles Lister, M.B.E. ..	Charles Lister & Co.
„ Chunilal A. Mehta ..	Chaturbhuj Bhaichandbhai & Co.
„ C. J. Schmuki ..	Ciba (India), Ltd.
„ C. W. Warrington ..	Cox & Kings (Agents) Ltd.
„ W. J. Wells ..	Cutler Palmer & Co.
„ W. J. Nielsen ..	The East Asiatic Co., Ltd.
„ N. L. Kodikal ..	The Eastern Chemical Co. (India).
„ C. F. Morris, O.B.E. ..	James Finlay & Co., Ltd.
„ D. B. Ashworth ..	
„ C. Hooley ..	Fleming Shaw & Co., Ltd.
„ R. W. Bullock ..	Forbes, Forbes, Campbell & Co., Ltd.
„ J. C. Lancashire ..	
„ B. O. Stevenson ..	Ford Motor Co. of India, Ltd.
„ J. Smailes ..	Ford, Rhodes and Parks.
„ R. A. M. Henson ..	H. J. Foster & Co., Ltd.
„ R. A. Haryott ..	
„ I. H. Chew, O.B.E. ..	General Motors India Ltd.
„ J. Stipek ..	
„ J. L. Dickie ..	Gillanders, Arbuthnot & Co.
„ J. G. Calderwood ..	Glenfield & Kennedy Ltd.
„ A. F. MacMillan ..	
„ J. S. R. Spelman ..	Graham Trading Co. (India), Ltd.
„ C. W. H. P. Waud ..	Hardcastle Waud & Co., Ltd.
„ F. H. Pilcher	W. T. Henley's Telegraph Works Co., Ltd.
„ A. E. Fawthrop ..	Hill Elliott & Co., Ltd.
„ F. S. Binnie	Imperial Chemical Industries (India), Ltd.
„ T. Fletcher	
„ M. H. Powell	The Imperial Tobacco Co. of India, Ltd.
„ E. E. Stewart	Johnson & Phillips Ltd.
„ E. J. C. Herring ..	Jost's Engineering Co., Ltd.
„ W. W. Russell	Killick Nixon & Co.
„ J. Devandas	Kishinchand Chellaram.
„ C. E. Noble	Kodak Ltd.
„ W. G. Osmond	
„ H. Holk-Larsen ..	Larsen & Toubro Ltd.
„ C. S. Pettit	
„ W. J. Shaw	Lever Brothers (India) Ltd.
„ Leser	
„ A. D. Finney	Mackinnon Mackenzie & Co.
„ I. H. Anderson	
„ H. M. Lang	
„ A. G. Hobson	
„ H. L. Haverson ..	

Mr. Manilal H. Patel	Manilal Patel & Co.
„ K. B. Sethna	Martin & Co.
„ G. W. Gosling	Martin & Harris Ltd.
„ J. J. Harris	
„ M. M. Jalaluddin	M. A. Mullick & Co.
„ U. B. Pai	Nestle & Anglo-Swiss Condensed Milk (Export) Co., Ltd.
„ H. K. Tutton	Ormerods (India), Ltd.
„ G. Wilkinson	Pilkington Brothers Ltd.
Col. Richardson	Richardson & Cruddas
Mr. F. Wilkin	
„ H. Sommer	Sapt. Text. Products (India), Ltd
„ A. E. J. Brander	E. D. Sassoon & Co., Ltd.
„ C. A. Cunliffe	Shaw Wallace & Co.
„ M. S. Dawood	M. Siddique & Co.
„ W. B. P. Coleman	The Spirax Manufacturing Co., Ltd.
„ T. J. Hudson	E. Spinner & Co. (Overseas), Ltd.
„ C. A. Osborn	Standard-Vacuum Oil Co.
„ I. J. English	
„ B. H. Pease	
„ L. R. Bury	J. Stone & Co. (India), Ltd.
„ J. A. Gloag	
„ F. C. Gray	Turner Morrison & Co., Ltd.
„ A. W. C. Brown	
„ J. MacKenzie-Mair	United Steel Companies (India) Ltd.
„ S. D. Chard, C.B.E.	Volkart Brothers.
„ J. Anderegg	
The Hon'ble Mr. J. M. B. Gibbons	Wallace & Co.
Mr. W. M. Martin, O.B.E.	Wolverhampton Works Co., Ltd.
„ T. D. Welby	
„ V. W. B. Church	The Bank of India, Ltd.
„ H. C. MacColl	The Chartered Bank of India, Australia & China.
„ A. R. Chisholm	Imperial Bank of India.
„ J. Robertson	
„ G. T. Gillespie	National Bank of India, Ltd.
„ C. R. Wardle	Mercantile Bank of India, Ltd.
„ M. A. Wilkinson	Atlas Assurance Co., Ltd.
„ W. Roberts	Commercial Union Assurance Co., Ltd.
„ James A. Dixon	Commercial Union Assurance Co., Ltd.
„ C. S. Bullwinkle	Gresham Life Assurance Society.
„ A. H. Forsyth	London & Lancashire Insurance Co., Ltd.

Mr. V. C. Wright, C.B.E. ..	Royal Insurance Co., Ltd.
„ E. J. A. Plumbe ..	Scottish Union and National Insurance Co., Ltd.
„ E. E. Trussell	South British Insurance Co., Ltd.
„ W. D. Shembavanekar..	Triton Insurance Co., Ltd.
„ T. D. Macintosh ..	B. B. & C. I. Railway.

Mr. L. Boult, Secretary of the Chamber.

The notice convening the meeting and the Auditor's report having been read, MR. A. W. PERCY, in opening the proceedings, said :—

Your Excellency, Gentlemen,—I have first the pleasure of welcoming to this meeting His Excellency the Governor of Bombay and the other distinguished guests who will have done us the honour of attending our annual general meeting covering the year 1946. It is, Sir, the fifth consecutive year in which the President of the Bombay Chamber of Commerce has had the pleasure of welcoming you. Although in past years our Presidents would, I know, have expressed the wish that you would be with us for the sixth consecutive annual meeting during your term of office, to do so now might imply that progress towards a change of Government in this country and Province had not been made as rapidly as may be possible, and I will content myself with saying, Sir, that at any of our future annual meetings you will be more than welcome in any capacity.

Gentlemen, the accounts have been circulated and are before you. They need little comment from me, though I may say that the finances of the Chamber are in a satisfactory condition, and that the major credit for the success of the year's working must go to the Vice-President, Mr. Halsall, and to whom I must tender my own personal thanks for his work on the general side of the Chamber's activities, apart from the financial, and my debt to him is increased by the fact that his presence as Deputy enabled me to take leave of absence from the Committee to visit the U. K. during my term as President.

I must also express my sincere thanks to members of the outgoing Committee for their willing work and cheerful co-operation during the year. Several of them have agreed to stand again for election in the forthcoming year, and with the new President, Mr. Hutson, who had experience of Presidentship of this Chamber in 1944, but who had to retire due to ill-health, plus Mr. Halsall himself—twice a past President of this Chamber—you will have as strong a team to conduct the Chamber's affairs as could be desired.

Turning now from the domestic affairs of the Chamber to the more important general picture, we have on hand the greatest experiment ever made in the peaceful change of Government. Of the method and means of change I propose to say nothing—indeed, so much has been said on the subject that were better left unsaid, that it will suffice for me to say that the hope of your Committee has been for an early and orderly progression to self-government in this country. As business men, industrialists and traders, it is natural that there is a good deal in the policy of the present Socialist Government in Britain with which we disagree profoundly. At the same time, on the question of transfer of power to India, although they have made mistakes and have been guilty of contradictions, credit must be given to them, firstly for producing a scheme which—can I say—has probably displeased fewer people than other schemes, and secondly, for their perseverance with the fulfilment of the promise of self-government to this country despite criticisms and disturbances from many sides.

As traders and industrialists, it is our earnest hope that their endeavours will be matched by statesmanship on this side, of a degree which will ensure such measure of agreement that will mean peaceful transfer of power by the zero date of June, 1948.

As regards the case for British trade in a self-governing India in future years, we feel that is a good one—we are well aware that we must stand on our own feet—as indeed we have always done—for, and let us be clear on this point, the so-called safeguards have given no advantage to British trade as such but have merely sought to prevent discrimination against it. One might suppose from some criticisms that British trade had been favoured against indigenous trade by the so-called safeguarding clauses of the Government of India Act. It has in fact, merely been given an equal field of endeavour, and it is that equality of opportunity for which we ask in the future—precisely in the same way that India is asking and will be asking for equality for her citizens in countries abroad.

British firms in Bombay and the progressive Indian firms whom we have the honour to include in the membership of this Chamber have given a lead in technical and welfare matters of which they have every reason to be proud. Instances which come to mind are the pioneering of mechanical agriculture, mechanical fisheries, model villages, research in various directions, the institution of provident funds, free medical attention for labour and sometimes for their families

too, and the general betterment of conditions for employees. Our records in these matters will do more than stand comparison with the general level of employers in this country. Additionally, British trade here has given reliable, honest and efficient service, and if we do not ourselves make these points, then nobody else is likely to do it for us. Nevertheless although the case for British trade in this country must be made clearly and frankly, we are, I think, all aware that in the India of the future our greatest assets will be goodwill and good service rather than clauses or agreements.

It is our earnest hope that in this country private enterprise, which has been successful to-date in building up the industry of India to an impressive size, will not be cramped by the following of doctrinaire and pre-conceived policies in the matter of nationalization. Undoubtedly nationalization is in the air and not only in India, but let us urge that nationalization should, in every case, be considered purely on its own merits as a business proposition and not as a political issue. Let it not be forgotten, for example, that in private enterprise the largest profit taker is the State itself in the form of taxation, and if in place of management you merely substitute an army of officials who may well lack the same incentive for the economy of operation, then the whole economy of nationalization itself may fail. Most of us here, I think, cherish the hope that for the time being, the nationalization urge will be satisfied with the Reserve Bank proposal. It is by no means welcome to us, but the change to Governmental operation may perhaps be marked only by the opening of the premises at 11 a.m. daily.

For the conduct, and development of trade and industry not only do we need peace in the political field but peace also in the field of labour and industrial relations. The subject of labour and trade unions was one with which I dealt at our annual meeting last year, and, although the intervening period has continued to be one of strikes and, in many cases, deterioration of relations between employers and labour, I am still convinced that the solution in this country, as elsewhere, lies in the development of the real *bona fide* trade union movement, free, as far as possible, from purely political motives, with real control over union members and working closely with employers in the general interests of production and industry. I would like here to quote to you from a booklet issued to its members by what I believe to be the largest Trade Union in the world—The Transport and General Workers' Union in the United Kingdom. The paragraph I quote relates to the duties of the Union members—"Firstly, you should, by every means in your power, make every effort to become an efficient worker rendering loyal service to your employer. The employee

who is inefficient may, by an act of carelessness, cause incalculable damage to machinery and products which have to be renewed or replaced. If there is a percentage of this type of worker you will appreciate that the cost of covering his or her inefficiency may prevent the Union from securing an increase in wages. To put the point in another way, if a high efficiency standard is obtained, it is much easier to obtain a high wage and conditions standard." My quotation ends. If the same ideals form part of the policy of trade unions in India, they will not go far wrong, but the present constant demands for higher wages with resultant inflation will not, by themselves, bring about the betterment of living conditions which labour itself is seeking. The day of the Rs. 25/- pay-packet in Bombay has gone for ever, and no man of sympathy or understanding will regret its passing, but under present conditions each wage increase brings about an increase in the price of commodities, and labour benefits not at all. What then is the remedy and the means of providing better living conditions ?

First, there must be greater efficiency of operation, with the aid of improved technical and mechanical development for the increase of production per man hour. Obviously sweated labour conditions can no longer be tolerated, and legislation has already taken care of this in industry, but demands for still further increased wages coupled with still further reduction of working hours will merely enlarge the inflationary circle. Secondly, there must be the will to work and pride in his efficiency and productive capacity on the part of the worker, coupled with an understanding of the worker's problems and amelioration of working conditions on the part of the employer. Thirdly, a really efficient system of distribution between producer and consumer. Fourthly and by no means least, the recovery by the State of the vast amount of taxes which are evaded every year. This last will, I admit, be a task of enormous magnitude and would, in the first case, entail the virtual elimination of the black market. Tax evasion is a matter on which I will touch later in connection with this year's Budget, but I feel convinced that full recovery of legitimate taxation would yield such wealth that the State would have sufficient funds to peg back the prices of essential food in particular, as is done in the U. K., till the immediate danger of inflation is removed and, who knows, sufficient might even be recovered to give some relief to the taxpayer who pays his full dues.

As far as the industrial and labour picture is concerned those I have mentioned above are, I know, long-term remedies, and in the immediate present we are faced with the real danger of further inflation. I for one welcome the intention

of Government to fix minimum wages and to standardize occupational terms in industry, and I would like to see the proposed schemes in operation as soon as possible. We shall at least, I feel, have some yardstick whereby arbitrators and adjudicators in industrial disputes can be guided to give that uniformity in awards and judgments which has been lacking in recent years.

The publication of this year's Budget undoubtedly caused a furore in industrial circles—greater perhaps than might have been the case if the printing strike in Delhi had not delayed the dissemination of full details of the proposals. It remains very clear that business and industry are intended to bear a heavy burden of taxation. Your Committee however welcomed certain features in the Budget, first, the raising of the tax-free limit of small incomes and, in particular, they welcomed the proposal to set up a commission to investigate private accumulation of wealth in the recent war years and which they felt to be long overdue. The taxpayer in this country who pays his full dues to the State has been heartily sickened by the wholesale evasion of taxation which he knows to be taking place, and it is hoped that with the new proposals of Government an end will be put to the keeping of double sets of books by merchants, of which we have heard so much, and of the conclusion of large financial deals by payment in Rs. 10/- currency notes. The chief objection to the very large increased burden of taxation which is now announced is, I think, that the incentive to evade is increased and that the new commission and the income-tax authorities may not be able to keep up, in their investigations and enquiries, with the increased tendency to evade. In other words, the taxpayer who pays his full dues may be penalised still further. We can only hope for the best however, and the work of the commission should certainly have the fullest support from this Chamber.

In general, as regards the new burden of taxation on industry, your Committee have felt that with the present shortage of consumer goods, particularly with the change-over from war to peace production scarcely complete, the time was not ripe for such a heavy burden to be placed in the way of development of new industry, and which Government spokesmen have confirmed to be essential to the welfare of India, and while admitting that revenue must be found to meet the large expenditure of this country, it was considered that not only had the Finance Member been somewhat heavy-handed, but that politics had had too large a share as compared with purely financial considerations in the framing of the Budget, in which collection of

revenue was the dominant note as opposed to economy in spending. As regards the Capital Gains Tax, this appears a most sweeping proposal, the full effect of which it is difficult to realise. Your Committee consider that if this tax is to be levied then some limit must be placed on its retrospective effect, and that assets of every sort which were acquired prior to, say, January 1st, 1939, should be entirely exempt. Otherwise the effect will be to penalise prudent administration of companies and management of property and estates over many years. From another angle it is felt that this tax in the case of large companies appears to be inconsistent with other measures respecting payment of dividends. The penal super-tax on dividends has resulted in companies putting sums to reserve which in many cases have been more than 5 per cent. on the capital of the company. This has resulted in an appreciation of share values and it could therefore be argued that anyone wishing to realise on his shares would pay income-tax on capital gains although the sums set aside which have caused an appreciation in share values have already been subjected to income-tax in the hands of the company. It appears that if an individual were to sell at a capital profit shares in any company which itself has sold shares at a capital profit the same profit will be taxed twice—once in the hands of the company and again in the hands of the individual. Again, if this tax is to have any retrospective effect a specific date should be fixed and not "prior to the previous year for assessment for the the year ending on 31st March 1948." If this is not done transactions completed during the chargeable accounting period will be taxable in some cases and not in others, according to the date of the assessee's financial year. The suggested date is 1st April, 1946. One further view held by your Committee on this tax is that if companies are made liable to the capital gains tax they should be subject only to income-tax on the taxable gains and not to Corporation tax in addition. I must not take up more of your time in describing your Committee's view on the Budget, and which have been submitted through the proper channels.

Business men in Bombay felt some relief when they turned from consideration of the Central to the Provincial Budget, in which they could find little to criticise, with the exception of the potential loss of revenue due to the prohibition proposals. Although a member of my community must perhaps be suspect of bias on this question of prohibition, it does seem reasonable to ask, in view of the very high revenue yield of some 7½ crores in the province plus say another 2½ crores as the cost of achieving prohibition, can it be afforded and can it be enforced? On the first query, are there not more urgent demands in the matter of social

welfare to which the total of 10 crores annually could be diverted, and are there not other directions in which money could be spent with more benefit to the people of the province generally, and which would meet with greater general approval in that the liberty of the individual would not be affected? Alternatively, could not this money be put to better use in increasing and improving the cultivation of land and irrigation, thereby assisting towards what must always be the priority target of the province—the wiping out of the food production deficit? On the second query—of enforcement—I don't think the history of previous efforts in India and in other countries would lead anyone to be optimistic that complete enforcement of prohibition is possible, and, if this proves to be the case, then it seems to me that there is a grave danger of this very large sum being merely wasted.

The question of passages to and from the U. K. has been one which has taken up a good deal of the time of your Committees in recent years and has been touched upon by Presidents or Vice-Presidents at past annual meetings. It must be admitted that the prospects for the 1947 leave season are not particularly good in that there will undoubtedly be delays in securing passages during the peak periods, and a large proportion of the berths secured will be in hired transports. This position is likely to remain until new shipping, now under construction, comes into operation, and the programme of reverting hired transports to commercial operation is completed. I would urge that those firms who have not already done so should consider the staggering of leave programmes, which is one of the few means by which the present difficult passage position can be ameliorated.

Finally, I should like, gentlemen, to pay a tribute in a direction where tribute in the past has been scarce, that is the work of the Bombay City Police. Their tasks during the past twelve months and before have been most unenviable, and we, the members of this Chamber, have good cause to be thankful for their loyalty, courage and endurance in conditions of disorder and personal danger, which attributes have, on many occasions, saved the City from appalling chaos, and I know that I have the fullest support of all present in making this small tribute to them to-day.

It remains for me, before concluding to-day my term of President, to tender my grateful thanks to members of the Sub-Committees who, with their valuable and expert advice contribute largely to the service which the Chamber is able to give to its members. Last but by no means least, let me

pay tribute to our Secretary, Mr. Boult, and the remainder of the staff of the Chamber who have worked well and faithfully throughout the year in the Chamber's interests. Gentlemen, I now propose that the Accounts and the Report of the Chamber for the year ended 31st December 1946, be and are hereby adopted and confirmed.

VICE-PRESIDENT'S SPEECH

MR. L. A. HALSALL, the Vice-President, said:—Your Excellency and Gentlemen,—There is not much I need add to what the President has said before I second the resolution he has proposed.

During the war just ended we often heard mention made, sometimes in rather light-hearted vein, of the perils of the peace. Well, those perils are with us now and in some respects are rather more menacing than many of us had expected them to be. Both Britain and India are facing a most critical period, the former because of her economic struggle under the staggering load of debt which the war has imposed on her, and India because of the great constitutional change now in progress. In India the position is not made easier by the risks of inflation to which the President has referred, nor by the serious industrial unrest which has led to many strikes and a considerable decline in production at a time when continued full production of goods for the civil population is little, if any, less important than was production of other goods for war-time needs. In the 12 months from September 1945 to August 1946 these strikes in the Province of Bombay alone caused a loss of more than three million working days. To put it in another way, we have lost in this Province the production of 10,000 men for a full year. This does not take into account the many interruptions of work for periods of a day or half a day due to *hartals* and demonstrations of one sort and another.

I think I am right in saying that never before have we witnessed strikes in banks and business houses such as there have been in the last 15 months. The cause of these may be partly economic; in fact it undoubtedly is, as the rise in the cost of living has outstripped the rise in earnings. But that is not all. Many members have shown me letters of demand they have received, accompanied in some cases by the so-called Charters of Rights, and it seems quite clear from the preposterous nature of some of the demands put forward that not all of these demands and of the strikes which followed have been, as they should have been, in the interest only of the employees concerned. I feel sure it cannot have escaped your notice that some of this trouble has been directed

against employers who are far from niggardly in the treatment of their staff, either as regards pay or other conditions of service. It is a great pity that apparently reasonable employees have been led, and in many cases forced, to take part in unwarranted strikes which result only in loss to both sides. If such things go on, it seems to me, employers may be compelled to adhere to a rigid code of rules in their dealings with their staff and will no longer feel disposed to give concessions outside the rules.

Quite a lot of the Committee's time in the past year has been taken up in consideration of various legislative measures affecting the relations between employers and employees. I will not weary you with any detailed reference to these measures, including the rather cumbrous enactment known as the Bombay Industrial Relations Act, which have been considered during the year. Of those still under consideration, such as housing schemes and the very important State Insurance Bill, I would only remark that my view is that Government are seeking to put too much of the cost on to the employer and not providing for the State to bear the proportion which it rightly should.

The President last year referred to the question of office and residential accommodation, and as I am a member of the Standing Quartering Board I would like to make a brief reference to this still very serious problem. People who have to come to me for help or advice in the securing of accommodation may have felt, I fear, that the answers I gave in many cases were unhelpful and perhaps depressing. But I am not altogether to blame for that and, I think it is only fair to say here, neither are the Defence Service Chiefs in Bombay. Bombay's record for de-requisitioning is not a bad one in the circumstances. In respect of Bombay Island and Salsette the figures up to the end of last month compared with the position in August 1945 show that approximately 80 per cent. of the residential and office accommodation they held and just over 60 per cent. of the storage accommodation has been released.

As you may be aware the rule is that when property is de-requisitioned it reverts first to the tenant who was ejected at the time of requisition or, in the alternative, to the owner. In most cases where property has reverted to the owner it has transpired that long before the date of release he has either had a long waiting ist or has made provisional arrangements with a new tenant, and later comers have been turned away disappointed. Despite the percentage of releases so far the outlook for anyone wanting accommodation, particularly residential accommodation, is as bleak as ever. What

is the explanation ? I think it can only be the increases in the static population and in the Central and Provincial Government staffs now in Bombay. There are still large outstanding demands for accommodation for the Central Government, which it is impossible to satisfy. The only hope of any improvement in the situation seems to be an early reduction in the size and number of Government Departments in this city and an early start on a substantial building programme.

I might add that it is no longer thought necessary for the Quartering Board to meet regularly, but Area Headquarters keep the members advised of accommodation from time to time released.

In the first half of last year there was much justifiable complaint against the manner in which the import control scheme was being administered. The delays the procedure involved have been of considerable concern to the commercial community and, coupled with the restrictive measures in force, resulted in slowing down the rate of arrival of many essential goods, with a consequent encouragement to black market or, as they are sometimes more politely called, "under the counter" dealings. There was no real improvement in the position until about September when a number of items were transferred to the open general licences.

There is at present before the Central Assembly a Bill to continue Government's powers to control imports and exports after Ordinance No. XX ceases to operate next week. A continuance of these powers is, I think, necessary for a little time longer, as there is still a world shortage of some essential commodities, and it is important to prevent large sums being spent on non-essentials. But the powers must be properly exercised and we must all be watchful and do what we can to ensure that these restrictions on trade are relaxed as rapidly as possible, and altogether removed when they are no longer necessary.

In the latter half of the year our attention had to be directed more to the export controls. There has been very general criticism of Government's policy with regard to the export of raw cotton, as many of you gentlemen are aware, and this Chamber has not been alone in protesting against certain aspects of it. A few weeks ago a press report from Delhi stated that Government appeared to be amused by what was referred to as a spate of propaganda against the official policy in regard to cotton exports and the price of cotton. That was not an official statement I admit and I hope it did not correctly convey the official attitude. None of the

members of your Committee saw the point of the joke because, so far as this Chamber is concerned, the criticisms we had to make were not made with any ulterior motive, but in the hope that what we considered wrong might be rectified.

A very recent development in connection with the export trade is a Draft Bill which is being circulated by the Department of Agriculture, in which it is proposed that every exporter of commodities specified in the Schedule to it will have to take out a licence, none of those commodities may be exported unless graded and packed as required by the Act, and exporters will have to make monthly returns of their exports to the Government of India. Moreover, there will be a staff of inspectors whose duty it will be to keep a check on the quality of goods to be exported and who will have the right to enter merchants' premises to inspect records and so on. In other words, as there appear to be some exporters unscrupulously taking advantage of the present sellers' market all others—good, bad or indifferent—are to be further regimented and controlled. That is hardly the way to build up a flourishing export trade. Your Committee, intend to oppose the Bill strongly as another unnecessary brake on India's trade and another possible source of bribery and corruption. I said earlier that in the first half of last year we had occasion to criticise the import controls, and in the second half our attack had to be diverted to some of the export controls. In addition throughout the year we were attacking ,or approving various measures, such as sales tax and labour legislation, which affect business and industry in this country. On the whole I suggest that indicates a reasonably unbiassed outlook.

One word more and I have finished, and I hope you will forgive me for quoting from one of my own speeches. In 1936, on the occasion of the Chamber's centenary celebration, I said the Bombay Chamber of Commerce, with I hoped some justification, had always taken credit to itself for refusing to sink sound commercial principles to political expediency. I claim that still holds good to-day. In the changed conditions in India it is possible that our views do not receive quite as much consideration as in the past. I hope that is not so, but whether Government find our views on various matters acceptable or not, I ask them to recognise, as Government did in the past, that any opinions or recommendations we put forward are put forward because we believe them to be right, not only in the interests of our members but for the general good of commerce and industry in this country.

I have much pleasure in seconding the proposition moved by the President.

The report was adopted unanimously.

HIS EXCELLENCY THE GOVERNOR said :—Mr. President and Gentlemen,—I thank you for your welcome. I have listened with great interest to the addresses which have been delivered by the President and the Vice-President. It is indeed, as the President has reminded me, the fifth occasion on which I have met the Bombay Chamber of Commerce, and his delicate treatment of whether there would be a sixth occasion or not was not lost upon me.

Indeed I was quite touched at the contingent welcome which the President offered to me to come back in any capacity, and I am bound to say that this opens up possibilities.

I should like to congratulate the Chamber on a satisfactory year's working which reflects great credit on the office-bearers.

Great changes have taken place since I met you last year. That occasion was the swan-song of the Section 93 Government, and I remember that my Advisers supported me by sitting dutifully in the front row to receive the bouquets or brick-bats of your Directors on their outgoing.

Now you see me in a new capacity—no longer a 'dictator' but one who is earnestly striving to be a constitutional Governor with a Ministry which is carrying a heavy responsibility in a difficult period. You will appreciate that my answers to some of the questions which you raise must be given with greater circumspection than in the past when I carried a more direct charge. Nor would it be proper for me to enter into argument on major points of Government policy, e.g., Prohibition and Nationalization. Now there are no Section 93 Governments in India with the exception of the Punjab where a serious situation has called for this necessary expedient, I hope, only temporarily; for I am sure that all members of the Chamber will agree with me that responsibility of government should lie on the shoulders of the people through their representatives.

But another great change has happened since we met last year, and you, Mr. President, have referred to it as the "greatest experiment ever made in the peaceful change of Government." I refer to H. M. G.'s announcement of a fixed date for cession of British political control in India. As I have said elsewhere, I shall not be drawn into argument on whether this was a great risk or not, but it can be proved by the leaders and people of India whether the risk was justified; and it is for all of us who can contribute in these critical and decisive days to do so. A body such as yours can

contribute by its balance and wisdom to sane and orderly progress.

Mr. President, you have referred to the case of British trade in a self-governing India. With you, I agree, it is a good one. In fact I would say that no small part of the progress which this great continent can achieve in the future is bound up with the degree of opportunity for mutual benefit which British trade and expert help is afforded. Nor do I feel that such opportunity will be accompanied by less goodwill because political control is removed; rather, in my judgment, it will be the reverse. Everywhere I find indications of a desire to retain business contacts where they can be shown to be mutually beneficial. You will recollect with interest the remarkable speech made by Pandit Nehru at the Associated Chambers of Commerce meeting in Calcutta in December; also his speech before the Federation of Indian Chambers of Commerce and Industry at New Delhi this month. Both these speeches give signs of great promise, provided the test of good service is always kept to the fore.

You referred, Mr. President, to the pioneer work done by British firms and many Indian firms included in your membership, and, in particular, to the treatment of labour and provision for welfare which such firms have afforded. The record of these works will stand comparison and are the best insurance for good opportunities in the future, though you will not expect me to enter into discussion on the debatable question of how far private enterprise is to be limited by the doctrine of nationalization. That is a question of more than Indian import, and while recollecting that I have been a Conservative Member of Parliament and may have personal views, I am mindful of the fact that H. M.G. in the United Kingdom have their views also, and any argument that I might find myself involved in would be improper for a Governor. I make the suggestion however that there should be no fetish. Some services and industries may lend themselves to this treatment, others may not. You may recollect a speech by Mr. Rajagopalachari before the Federation of Indian Chambers of Commerce and Industries in New Delhi the other day in course of which he said :

" We must exorcize the ghost of nationalization." Perhaps I had better leave it there in case I get drawn into trouble.

I repeat I am sure that there is a great future for British trade in this country. For those who stay to carry it on contact with H. M. G. will be maintained through the High Commissioner for the United Kingdom in India who has recently been appointed. Many of you have met Sir Terence

Shone when he was here recently. The future will determine whether as U. K. representative he is an Ambassador to a foreign country or a Commissioner to a fellow member of a great Commonwealth. He is a man of wide experience and attainments and I feel sure, will be be an admirable representative. That was purely an exploratory visit, but since his return to Delhi he is now proceeding to appoint his staff and prepare his organization which, I anticipate, will grow in importance. I have in fact recently received a request from him asking for detailed information about British and Dominion subjects resident in this Province to enable him to know who he will have to deal with, and Government will shortly be asking all British subjects to register their names and addresses so that they can be passed on to him. I hope that everybody will co-operate in this as his detailed knowledge of the community is likely to be very important after British political control in India ceases.

I now come to a point which was raised in the President's speech regarding passages to the United Kingdom with particular relation to future developments. I am quite certain that British trade has a big future before it and there will be no question of a general driving out of British firms. Nevertheless it is very definitely a major operation that is to be performed—the severing of political ties with Britain that have lasted for two hundred years—and though I hope and believe that with goodwill it can be carried out smoothly and safely, yet it seems probable that there will be considerable congestion on the ships to go to Britain next spring. You, Mr. President, have said something of the passage situation at present. Even now with a not unusual number of people travelling to England on leave it is difficult enough but even though there may be an improvement in the number of ships available it seems very possible to me that next spring there may be an even greater pressure on accommodation. There will, I suppose, be the families of those who consider that in a period of uncertainty, such as next year—the active year of transition—may be, England, Scotland or Ireland is the best place for their families—I imagine there will be some who think this—then there will be officials whose service is ending and there will probably be business men who wish to report to and consult their head offices personally. There will in fact, I expect, be a lot of people intending to travel to England next spring. While I am sure that the shipping companies will have this in mind I should also like to suggest that members of the European community could help materially by not bringing out people now with the intention of sending them home next spring unless their presence is really needed.

I realise that the after-effects of the war have made this a difficult time for industry. The enormous increase in the population of Bombay with consequent shortage of accommodation both for offices and for office staffs and workers, the great rise in the cost of living, the political uncertainty and the very serious labour unrest which has resulted from all these together are very serious factors. Nevertheless, I hope that things will before very long settle down into a reasonably smooth course, and I must say that my Government has taken active steps to overcome these difficulties. I would like to deal with these questions one by one and to give you some idea of what Government is doing.

The shortage of accommodation has been blamed—rather more severely than it deserves I feel—on the requisitioning for the Defence Department. I said rather more severely than it deserved, because the situation is not very much easier now than it was during the war though a good number of the premises requisitioned have now been released. Nearly half the office blocks, three-quarters of the housing accommodation and forty per cent. of the storage accommodation have already been released, and I hope the remainder will be released very soon. The shortage is mostly due, in the case of cheap housing, to attraction that the high wages that could be earned in Bombay City during the war had for people from the country; and in the case of high class accommodation it is mostly due, I think, to the fact that money has been made in Bombay and consequently there is a greater demand for high class accommodation. The only long-term solution is for new buildings to be erected. For immediate purposes Government is taking over surplus military hutments to meet its own requirements for offices in order to release other accommodation.

Under its long-term programme a Provincial Housing Board is being set up by Government, and it has already drafted a programme. Government's decision explaining in detail the manner in which the housing policy will be implemented will be announced shortly. The Board has recommended that Government should embark on a programme of direct construction, and also to assist private construction by giving financial assistance in respect of houses which conform to the standards and specifications laid down by Government. These will be mostly tenements for industrial workers, and it is hoped that not less than a lakh of tenements will be constructed by employers and co-operative societies taking advantage of the scheme during the next five years. But all building depends upon the availability of materials which are very difficult to obtain at present, and prices are very high.

Some of the materials are under control and distribution is being made against permits issued by the appropriate authorities. Steel, for instance, is not available in sufficient quantity and Government is attempting to obtain better supplies from the Government of India. Timber too is short, but arrangements are being made for direct supply from the Forest Department for distribution to the public for use on building construction. It is proposed to establish depots at suitable centres all over the Province for this purpose. It will also be necessary to take measures to reduce the cost of manufacture and supply of bricks by making land available for digging earth, arranging for machinery and fuel for their manufacture. All these difficulties are being dealt with by a Special Assistant Housing Commissioner for Materials, and I hope that the situation will become easier though I realise that this will take some time.

The high cost of building materials which forms part of the general rise in prices is due to the great increase of circulation of money without any increase in supplies and goods to be purchased. The question is one for the Government of India and one on which in any case I cannot make any pronouncement. A certain amount is done to keep down the cost of living by the elaborate system of controls that are exercised on prices of commodities imposed by the Provincial Government and by the Government of India. But this is an artificial method, and so long as there is no increase in supply and with the increased purchasing power of the country, there will always be a tendency to divert supplies from their proper course to the black market, which tendency in turn shortens the supply in the proper market. All these factors together with political considerations have of course had a very unsettling effect on labour as shown by the large number of strikes that there have been all over the Province in the last year or two.

For purposes of arresting unstable conditions in the labour market my Government has introduced a new Industrial Relations Bill which carries the principles of the old Industrial Disputes Act, 1938, much further. You will, I imagine, be familiar with the provisions of this Bill. It aims at securing just and fair treatment of employees while ensuring impartial and relatively quick decisions in references regarding illegal changes, illegal strikes and lockouts. It is designed among other things to create strong and healthy trade-unionism, which, in modern conditions, is an important factor in securing industrial peace. If the employees of an industry know their grievances can be represented to the management by a strong union which will be treated with

respect the tendency that we see to-day to resort to strikes over extremely petty matters will be greatly reduced. The Bill also provides for the constitution of joint committees for industrial units by which it is hoped to bring employers and employees together and promote the settlement of all outstanding disputes by mutual discussion. In the course of time they should grow to be as important and valuable as joint production committees or works committees in Great Britain. Where a settlement is supposed to be impossible it will be possible for the parties to have the matter taken up for conciliation before a Labour Court.

Government is doing all in its power to secure the settlement of disputes by peaceful means. Very much conciliation is being done both in the Secretariat and in the Labour Office. There are very few cases in which Government will not attempt to bring about a settlement. Delays have been complained of in this matter. They should be much reduced by the splitting up of the Commissioner of Labour's work between three Directorates—one each for Information, Welfare, and Examination of Labour Laws.

While on the subject of labour, I should like to put in a word for the ex-serviceman. I know that in some cases initially he may prove an unsatisfactory employee, as he may expect too much to be done for him. But you must remember that after years in the Army, where life is very different and everything is organised for him and the Sergeant Major is at his elbow, it is only natural to begin with, and I hope that employers will find that with patience and perseverance they will settle down, and with the training in discipline and self-respect which they have had in the Army, that they would prove to be very valuable employees. The Government of India has an Employment Bureau in Bombay City and other places in the Province, which is very largely worked for ex-servicemen, and I hope that employers will make the fullest use of them, and that they will make every effort to help the ex-servicemen that they employ, and particularly disabled men, to settle down. I regret that the time allotted to me to follow up all the subjects which have been raised is insufficient but I should like to welcome the tribute paid to the Bombay City Police for their hard work during recent riots. In this connection I would observe that one of the most important—if not the most important—tasks of the Government is the maintenance of law and order so that citizens can go about their business without interruption, and I would draw your attention to the Public Security Measures Bill now before the Assembly. The purpose of this Bill is to ensure the continuance of orderly life during a period of

strain and I am sure that we would all wish to associate ourselves with this object.

Here I cannot pass without paying a tribute to a great man who is leaving India in a few days' time. I refer to the Viceroy, Lord Wavell. By his courage and patience, and above all, his love of fair play and unquestioned sincerity, he has done more, in my opinion, than any single man of our time to establish the good faith of Great Britain in this vast country. That he has not succeeded in securing agreement between the parties is no fault of his, for, he has given his utmost in that cause. We shall say good-bye to him with deep regret while extending a warm welcome to Lord Mountbatten and wishing him success in his great task.

In conclusion, gentlemen, let me express my earnest view that there is much scope for the work of your Chamber in the future. I have explained to you the functions of the High Commissioner, and I know that there will be in the future many useful contacts between your Chamber and his organization. In the course of my remarks I said that, whether he would be an Ambassador to a foreign country or a Commissioner to a fellow member of a great Commonwealth was a matter for future choice. That is a choice which it is not within my power to influence, but there is no harm in stating my personal views. I believe that it must be a free and unfettered choice on both sides. Free India on the one part, Great Britain on the other offering in place of any political control free and equal association. There are ties of commerce, of culture and of defence which between partners can afford mutual benefit. I earnestly trust they will continue, and in this future, whatever precise form it may take, I feel there is great scope for your Chamber. I wish you success in this decisive year and in the years to come.

MR. J. J. COPE in proposing a vote of thanks to the Committee, said :—

Your Excellency and Gentlemen,—I have much pleasure in moving " that a vote of thanks be tendered to the President, the Vice-President and the members of the outgoing Committee." After reading the Annual Report, hearing what has been said at this Meeting, and from the personal contacts with the Chamber which most of us have had during the year, it is unnecessary for me to add anything more to this expression of thanks for a good job of work excellently done on our behalf.

It will be recalled that when proposing the same resolution last year, Mr. Morris—himself a splendid Committeeman—likened the Chamber unto a ship. Mr. Percy is now handing over his command, but a number of his crew are

signing on for a further voyage, and we have every confidence that with their help ins pite of the storms that lie ahead, the new President and Committee will have a successful if not a peaceful passage. A few consignments have been overcarried and some demurrage will be incurred, but we can be quite certain that nothing will be dumped overboard.

I will now formally propose "that a vote of thanks be tendered to the President, the Vice-President and the members of the outgoing Committee."

MR. J. L. DICKIE seconded the proposition which was carried with acclamation.

Under the provisions of Article 41 of the Chamber's Articles of Association, the following eight gentlemen have been selected by the retiring Committee in conjunction with the incoming President and the Vice-President to serve, if elected, as ordinary members of the Committee for the year 1947-48 and shall be deemed to have been duly proposed for election. The following names were submitted to the vote separately and were elected unanimously by a show of hands.

MR. F. S. BINNIE,
MR. R. W. BULLOCK,
MR. C. J. DAMALA,
MR. A. D. FINNEY,
MR. H. C. DE MIERRE,
MR. H. F. MILNE,
MR. A. W. PEROY,
MR. B. J. WHITBY.

MR. C. W. WARRINGTON proposed, MR. D. B. ASHWORTH seconded, and it was agreed :—

"That Messrs. Sharp & Tannan be and are hereby elected Auditors of the Chamber's accounts for the year 1947, at a remuneration of Rupees two hundred and fifty."

MR. C. S. PETTIT in proposing a vote of thanks to His Excellency the Governor, said :—Your Excellency, Mr. President, and Gentlemen,—In what are now coming to be regarded as the good old days of India, it was possible for the proposer of this vote of thanks to speak with some certainty in this, the fifth year of Your Excellency's term of office, and to express to you not only our grateful thanks for having addressed us at our annual meetings and assisted us with your advice, but also our regrets at your departure and our good wishes for the future. So far in fact was the mover of this vote last year convinced that normal times were back again that he said he thought

"it was a good thing that Your Excellency's term of office did not exceed five years"—may I hasten to add, however, that this was only a point leading up to his subsequent remarks.

We, Your Excellency, are in no two minds about this matter; whatever your own views may be, we hope as our President has said to-day to see you at this meeting again next year. You have been kind enough to give us the benefit of your advice and guidance during five very difficult years, not only at these annual meetings but also on many other occasions, and we most sincerely trust that we shall continue to have your support and help during the unique and decisive year that lies ahead of us.

I would therefore ask our members to couple this wish with our grateful and sincere thanks—expressed to you in our customary manner—for once again honouring us with your presence and your helpful and encouraging remarks at this Annual General Meeting.

The proposition was carried with acclamation.

A vote of thanks to the President terminated the proceedings.

THE INDIAN FINANCE ACT, 1946.

An Act to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April 1946.

Whereas it is expedient to fix the duty on salt manufactured in, or imported by land into, British India, to fix maximum rates of postage under the Indian Post Office Act, 1898 (VI of 1898), to continue, subject to certain modifications, for a further period of one year the additional duties of customs imposed by section 6 of the Indian Finance Act, 1942 (XII of 1942), to alter the duty of customs on cinematograph films, raw cotton and silver, to withdraw the duty of customs on raw cotton levied under the Cotton Fund Ordinance, 1942 (VIII of 1942), to impose a duty of customs on gold, to alter the duty of customs and the duty of excise on betelnuts, motor spirit, kerosene and mineral oils, to fix rates of income-tax and super-tax, and to make certain provisions relating to income-tax, super-tax and excess profits tax ;

It is hereby enacted as follows :—

1. *Short title and extent.*—(1) This Act may be called the Indian Finance Act, 1946.

(2) It extends to the whole of British India.

2. *Fixation of salt duty.*—The duty on salt manufactured in, or imported by land into, British India shall, for the year beginning on the 1st day of April 1946, be at the rate of one rupee and nine annas per standard maund.

3. *Inland postage rates.*—For the year beginning on the 1st day of April 1946, the Schedule contained in the First Schedule to the Indian Finance Act, 1945, shall again be inserted in the Indian Post Office Act, 1898 (VI of 1898), as the First Schedule to that Act.

4. *Amendment of section* 4, *Indian Finance Act,* 1945.—(1) To sub-section (2) of section 4 of the Indian Finance Act, 1945, the following shall be added, namely :—

" or, after the 28th day of February 1946, on kerosene and mineral oils, comprised in Items Nos. 27(4) and 27(5) of the said Schedule."

(2) The provisions of this section shall be deemed to have come into force on the 28th day of February 1946.

5. *Continuation of, and enhancement of, additional duties of customs imposed by section* 6, *Act XII of* 1942.—(1) The additional duties of customs on certain goods chargeable with a duty of customs under the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934), or under the said Schedule read with any

notification of the Central Government for the time being in force, imposed up to the 31st day of March 1943 by section 6 of the Indian Finance Act, 1942, and continued, subject to certain modifications, up to the 31st day of March 1946, by section 4 of the Indian Finance Act, 1945, as amended by section 4 of this Act, shall continue to be levied and collected as provided in the said section 6 up to the 31st day of March 1947, subject to the aforesaid modifications and to the further modifications contained in sub-section (2).

(2) The additional duty to be levied and collected under sub-section (1) shall be one-half instead of one-fifth of the amount of the duty of customs specified in the First Schedule to the Indian Tariff Act, 1934, in the case of wines, comprised in Item No. 22(3) of the said Schedule; and no such additional duty shall be levied or collected on—

(*a*) betelnuts, comprised in Item No. 9(5),

(*b*) cinematograph films, not exposed and exposed, comprised in Items Nos. 29 and 29(1),

(*c*) raw cotton, comprised in Item No. 46(3),

(*d*) silver bullion and silver sheets and plates which have undergone no process of manufacture subsequent to rolling, and silver coin, not otherwise specified, comprised in Items Nos. 61(2) and 62(1),

(*e*) gold bullion and gold sheets and plates which have undergone no process of manufacture subsequent to rolling, and gold coin, comprised in Items Nos. 61(3) and 62(2), of the said Schedule.

6. *Imposition and alteration of certain duties of customs.*—In the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934),—

(*a*) in Item No. 9(5), for the entries in the fourth and sixth columns, the entries "Five annas per lb." and "Four annas and six pies per lb." shall be respectively substituted;

(*b*) in Item No. 29, for the entry in the fourth column, the entry "Three pies per linear foot" shall be substituted;

(*c*) in Item No. 29(1), for the entry in the fourth column, the entry "Four annas per linear foot" shall be substituted;

(*d*) in Item No. 46(3), for the entry in the fourth column, the entry "Two annas per lb." shall be substituted;

(*e*) in Items Nos. 61(2) and 62(1), in the fourth column, for the word "Three" the word "Eight" shall be substituted;

(*f*) in Items Nos. 61(3) and 62(2),—

(i) in the third column the word "Revenue" shall be inserted, and

(ii) for the entry in the fourth column, the following entry shall be substituted, namely :—

" Rs. 25 per tola of 180 grains fine."

7. *Alteration of duty of customs on kerosene and mineral oils.*—In the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934), in Items Nos. 27(4) and 27(5), in the fourth column, the words ' and nine pies ' shall be omitted.

8. *Alteration of duty of excise on motor spirit.*—(1) In the First Schedule to the Central Excises and Salt Act, 1944 (I of 1944), in Item No. 4, for the word " Fifteen " the word " Twelve" shall be substituted.

(2) The provisions of this section shall be deemed to have come into force on the 1st day of March 1946.

9. *Alteration of duty of excise on betelnuts.*—In the First Schedule to the Central Excises and Salt Act, 1944 (I of 1944), in Item No. 12, for the words " Two annas " the words " One anna " shall be substituted.

10. *Repeal of Ordinance VIII of* 1942.—The Cotton Fund Ordinance, 1942, is hereby repealed :

Provided that the repeal of the said Ordinance shall not prejudice the power of the Central Government to utilise the balance at the credit of the fund established thereunder for the purposes set out in section 3 of that Ordinance.

11. *Income-tax and super-tax.*—(1) Subject to the provisions of sub-sections (3), (4), (5), (6) and (7),—

(*a*) income-tax for the year beginning on the 1st day of April 1946 shall be charged at the rates specified in Part I of the Schedule, and

(*b*) rates of super-tax for the year beginning on the 1st day of April 1946 shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (XI of 1922), be those specified in Part II of the Schedule.

(2) In making any assessment for the year ending on the 31st day of March 1947, there shall be deducted from the total income of an assessee, in accordance with the provisions of section 15A of the Indian Income-tax Act, 1922, an amount equal to—

(i) one-tenth of the earned income chargeable under the head " Salaries " which is included in his total income, subject to a maximum of two thousand rupees, plus

(ii) one-fifth of the earned income other than the income chargeable under the head " Salaries " which is included in his total income :

Provided that the aggregate amount to be deducted under this sub-section shall not in any case exceed four thousand rupees.

(3) In making any assessment for the year ending on the 31st day of March 1947,—

(*a*) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" as reduced by the deduction for earned income appropriate thereto, or any income chargeable under the head "Interest on Securities," or any income from dividends in respect of which he is deemed under section 49B of the Indian Income-tax Act, 1922, to have paid income-tax imposed in British India, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Indian Finance Act, 1945, on his total income the same proportion as the amount of such inclusions bears to his total income;

(*b*) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Indian Income-tax Act, 1922, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Indian Finance Act, 1945, on his total income the same proportion as the amount of such inclusion bears to his total income.

(4) In making any assessment for the year ending on the 31st day of March 1947, where the total income of an assessee consists partly of earned income and partly of unearned income, the super-tax payable by him shall be—

(i) on that part of the earned income chargeable under the head "Salaries" to which clause (b) of sub-section (3) applies, the amount of super-tax computed in accordance with the provisions of that clause, plus

(ii) on the remainder of the earned income, the amount which bears to the total amount of super-tax which would have been payable on his total income had it consisted wholly of earned income the same proportion as such remainder bears to his total income, plus

(iii) on the unearned income, the amount which bears to the total amount of super-tax which would have been payable on his total income had it consisted wholly of unearned income the same proportion as the unearned income bears to his total income.

(5) Where the total income of an assessee referred to in paragraph A of Part I of the Schedule does not exceed six thousand rupees and includes any income to which clause (a) of sub-section (3) applies, the income-tax payable by the assessee on such inclusion as computed in accordance with the provisions of that clause shall be reduced by an amount representing one rupee for every complete unit of two hundred rupees of such inclusion as reduced by the amount of income, if any, exempt under the second proviso to sub-section (1) of section 7, section 15, and sub-section (1) of section 58F, of the Indian Income-tax Act, 1922:

Provided that the reduction to be made under this sub-section shall not in any case exceed two-fifths of the income-tax otherwise payable on such inclusion:

Provided further that if there is an incomplete unit of such inclusion amounting to one hundred rupees or more, it shall for the purposes of this sub-section be reckoned as a complete unit of two hundred rupees.

(6) In making any assessment for the year ending on the 31st day of March 1947,—

(*a*) where the total income of a company includes any profits and gains from life insurance business, the super-tax payable by the company shall be reduced by an amount computed at the rate of one anna in the rupee on that part of its total income which consists of such inclusion;

(*b*) where the total income of an assessee, not being a company, includes any profits and gains from life insurance business, the income-tax and super-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of such taxes payable according to the rates applicable under the operation of the Indian Finance Act, 1942 (XII of 1942), on his total income the same proportion as the amount of such inclusion bears to his total income, so however that the aggregate of the taxes so computed in respect of such inclusion shall not in any case exceed the amount of tax payable on such inclusion at the rate of five annas in the rupee.

(7) In cases to which section 17 of the Indian Income-tax Act, 1922 applies, the tax chargeable shall be determined as provided in that section but with reference to the rates imposed by sub-section (1) of this section and in accordance, where applicable, with the provisions of sub-sections (3), (4), (5) and (6) of this section.

(8) For the purposes of making any deduction of income-tax in the year beginning on the 1st day of April 1946, under sub-section (2) or sub-section (2B) of section 18 of the Indian Income-tax

Act, 1922, from any earned income chargeable under the head "Salaries," the estimated total income of the assessee under this head shall, in computing the income-tax to be deducted, be reduced by an amount equal to one-fifth of such earned income but not exceeding in any case four thousand rupees.

(9) For the purposes of this section and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922, and the expression "earned income" has the meaning assigned to it in clause (6AA) of section 2 of that Act.

(10) If any provision is made in the Indian Income-tax Act, 1922, for the allowance of expenditure on scientific research related to the business carried on by an assessee, then any such expenditure incurred by him in the previous year for the assessment for the year ending on the 31st day of March 1946 shall, for the purposes of that provision and in accordance therewith, be deemed to be expenditure incurred in the previous year for the assessment for the year ending on the 31st day of March 1947, and shall be added to the amount of such expenditure, if any, in that previous year.

(11) Any sum being excess profits tax repaid in respect of any chargeable accounting period under the provisions of section 10 of the Indian Finance Act, 1942, or of section 2 of the Excess Profits Tax Ordinance, 1943 (XVI of 1943), shall be deemed to be income for the purposes of the Indian Income-tax Act, 1922, and shall, notwithstanding the provisions of section 34 of that Act, be treated as income of the previous year which constitutes or includes the chargeable accounting period in respect of which the said sum is repayable :

Provided that any such sum repaid in respect of any profits which are also assessable to excess profits tax under the law in force in the United Kingdom shall be treated, for the purpose of assessment to income-tax and super-tax, as income of the previous year during which the repayment is made.

(12) The Income-tax Officer shall calculate the amount of income-tax and super-tax payable in respect of each sum referred to in sub-section (11), and such amount shall be deducted from the said sum at the time that it is repaid, and where the regular assessment proceedings for the appropriate assessment year are not complete, the tax so deducted shall be treated as a payment of income-tax or super-tax, as the case may be, for the purposes of sub-section (5) of section 18 of the Indian Income-tax Act, 1922.

(13) Any person objecting to the amount of a deduction made under sub-section (12) may appeal to the Appellate Assistant Commissioner within thirty days of the receipt of the repayment order, and the provisions of sections 30, 31 and 33 of the Indian Income-tax Act, 1922, shall apply as if such appeal were an appeal under the first-mentioned section.

(14) Where under the provisions of sub-section (2) of section 12 of the Excess Profits Tax Act, 1940 (XV of 1940), excess profits tax payable under the law in force in the United Kingdom has been deducted in computing for the purposes of income-tax and super-tax the profits and gains of any business, the amount of any repayment under sub-section (1) of section 28 of the Finance Act, 1941 (4 & 5 Geo. 6, c.30), as amended by section 37 of the Finance Act, 1942 (5 & 6 Geo. 6, c.21), in respect of those profits, shall be deemed to be income for the purposes of the Indian Income-tax Act, 1922, and shall, for the purpose of assessment to income-tax and super-tax, be treated as income of the previous year during which the repayment is made.

12. *Excess profits tax.*—If any provision is made in clause (vi) of sub-section (22) of section 10 of the Indian Income-tax Act, 1922 (XI of 1922), to allow in respect of depreciation a further sum which is not deductible in determining the written down value, then such sum shall not be included in the allowances made in computing profits for the purposes of the Excess Profits Tax Act, 1940 (XV of 1940).

13. *Amendment of section* 10, *Act XII of* 1942.—(1) To sub-section (1) of section 10 of the Indian Finance Act, 1942, the following further proviso shall be added, namely :—

" Provided further that no such further sum herein referred to shall be deposited with the Central Government after the 28th day of February 1946."

(2) The provisions of this section shall be deemed to have come into force on the 28th day of February 1946.

THE SCHEDULE

(See section 11)

PART I

Rates of Income-tax

A.—In the case of every individual, Hindu undivided family, unregistered firm and other association of persons not being a case to which paragraph B of this Part applies—

		Rate
1.	On the first Rs. 1,500 of total income ..	*Nil.*
2.	On the next Rs. 3,500 of total income ..	One anna in the rupee.
3.	On the next Rs. 5,000 of total income ..	Two annas in the rupee.
4.	On the next Rs. 5,000 of total income ..	Three and a half annas in the rupee.
5.	On the balance of total income	Five annas in the rupee.

Provided that—

(i) no income-tax shall be payable on a total income which, before deduction of the allowance, if any, for earned income, does not exceed Rs. 2,000;

(ii) the income-tax payable shall in no case exceed half the amount by which the total income (before deduction of the said allowance, if any, for earned income) exceeds Rs. 2,000;

(iii) the income-tax payable on the total income as reduced by the allowance for earned income shall not exceed either—

(*a*) a sum bearing to half the amount by which the total income (before deduction of the allowance for earned income) exceeds Rs. 2,000 the same proportion as such reduced total income bears to the unreduced total income, or

(*b*) the income-tax payable on the income so reduced at the rates specified in this Schedule,

whichever is less.

B.—In the case of every company and local authority, and in every case in which under the provisions of the Indian Income-tax Act, 1922, income-tax is to be charged at the maximum rate—

	Rate
On the whole of total income	Five annas in the rupee.

PART II

Rates of Super-tax

A.—In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which paragraph B or paragraph C or paragraph D of this Part applies—

		Rate, if income wholly earned.	*Rate, if income wholly unearned.*
1.	On the first Rs. 25,000 of total income ..	*Nil.*	*Nil.*
2.	On the next Rs. 10,000 of total income ..	Two annas in the rupee.	Three annas in the rupee.
3.	On the next Rs. 10,000 of total income ..	Three annas in the rupee.	Four annas in the rupee.
4.	On the next Rs. 15,000 of total income ..	Four annas in the rupee.	Five annas in the rupee.
5.	On the next Rs. 20,000 of total income ..	Five annas in the rupee.	Six annas in the rupee.
6.	On the next Rs. 30,000 of total income ..	Six annas in the rupee.	Seven annas in the rupee.
7.	On the next Rs. 40,000 of total income ..	Seven annas in the rupee.	Eight annas in the rupee.
8.	On the next Rs. 50,000 of total income ..	Eight annas in the rupee.	Nine annas in the rupee.
9.	On the next Rs. 50,000 of total income ..	Nine annas in the rupee.	Nine and a half annas in the rupee.
10.	On the next Rs. 1,00,000 of total income ..	Nine and a half annas in the rupee.	Ten annas in the rupee.
11.	On the next Rs. 1,50,000 of total income ..	Ten annas in the rupee.	Ten and a half annas in the rupee.
12.	On the balance of total income	Ten and a half annas in the rupee.	Ten and a half annas in the rupee.

B.—In the case of every local authority—

	Rate
On the whole of total income	One anna in the rupee.

C.—In the case of an association of persons being a co-operative society, other than the Sanikatta Saltowners' Society in the Bombay Presidency, for the time being registered under the Co-operative Societies Act, 1912, or under an Act of the Provincial Legislature governing the registration of co-operative societies—

	Rate
1. On the first Rs. 25,000 of total income ..	*Nil.*
2. On the balance of total income	One anna in the rupee.

D.—In the case of every company—

	Rate
On the whole total income	One anna in the rupee,

and in addition, in respect of that part of the total income (as reduced by the amount of dividends payable at a fixed rate) which does not exceed the amount of dividends, not being dividends payable at a fixed rate, declared in British India in respect of the whole or part of the previous year for the assessment for the year ending on the 31st day of March 1947,—

on the amount by which such part—

	Rate
(*a*) exceeds 30 per cent., but does not exceed 40 per cent., of the total income as so reduced.	Two annas in the rupee.
(*b*) exceeds 40 per cent., but does not exceed 45 per cent., of the total income as so reduced.	Three annas in the rupee.
(*c*) exceeds 45 per cent., but does not exceed 50 per cent., of the total income as so reduced.	Four annas in the rupee.
(*d*) exceeds 50 per cent., but does not exceed 55 per cent., of the total income as so reduced.	Five annas in the rupee.
(*e*) exceeds 55 per cent., but does not exceed 60 per cent., of the total income as so reduced.	Six annas in the rupee.
(*f*) exceeds 60 per cent. of the total income as so reduced.	Seven annas in the rupee.

Provided that—

(i) no additional super-tax shall be payable where such part is less than, or equal to, five per cent. on the capital of the company;

(ii) where such part is more than five per cent. on the capital of the company, the additional super-tax payable shall be reduced by the amount of additional super-tax which would, but for the provisions of clause (i) of this proviso, have been payable had such part been equal to five per cent. on the capital of the company;

(iii) where any dividends (not being dividends payable at a fixed rate) have been declared before the 1st day of March 1946 in respect of the whole or part of the previous year for the assessment for the year ending on the 31st day of March 1947, and the amount of super-tax computed at the rates set out in this paragraph exceeds the amount of super-tax which would be payable by the company at the rate specified in the Indian Finance Act, 1945, such proportion of the amount of super-tax computed under this paragraph as the amount of dividends declared before the 1st day of March 1946 bears to the total amount of dividends declared in respect of the said previous year (not being dividends payable at a fixed rate) shall be so reduced as not to

exceed the same proportion of the super-tax computed at the rate specified in the Indian Finance Act, 1945;

(iv) the additional super-tax shall be payable only by a company in which the public are substantially interested within the meaning of the *Explanation* to sub-section (1) of section 23A of the Indian Income-tax Act, 1922, or a subsidiary company of such a company where the whole of the share capital of such subsidiary company is held by the parent company or by the nominees thereof.

Explanation.—For the purposes of this paragraph,—

(a) the expression "capital of the company" shall be deemed to mean the paid-up share capital at the beginning of the previous year for the assessment for the year ending on the 31st day of March 1947 (other than capital entitled to a dividend at a fixed rate) plus any reserves other than depreciation reserves and reserves for bad or doubtful debts at the same date as diminished by the amount on deposit on the same date with the Central Government under section 10 of the Indian Finance Act, 1942, or section 2 of the Excess Profits Tax Ordinance, 1943;

(b) the expression "dividend" shall be deemed to include any distribution included in the expression "dividend" as defined in clause (6A) of section 2 of the Indian Income-tax Act, 1922, and any such distribution made during the year ending on the 31st day of March 1947 shall be deemed to have been made in respect of the whole or part of the previous year;

(c) where any portion of the profits and gains of a company is not included in its total income, by reason of such portion being exempt from tax under any provision of the Indian Income-tax Act, 1922, the capital of the company, the total amount of dividends and the amount of dividends payable at a fixed rate shall each be deemed to be the proportion thereof that the total income of the company bears to its total profits and gains.

THE BUDGET, 1947-48.

Speech of the Finance Member.

It is my privilege to place before this House the first Budget to be presented by an Indian Finance Member. I am deeply conscious of the importance of the task that has fallen to me and it will be my endeavour so long as I hold this portfolio to promote in every way I can the economic prosperity and well-being of this sub-continent and of all sections of its population. It will be my particular endeavour to reduce, to the maximum extent possible, the glaring disparities that exist to-day between the income and standards of life of the wealthy classes and the vast multitude of poverty-stricken masses, and to contribute to the best of my ability to the improvement of the lot of the common man. In tackling these tasks, which have so far received inadequate attention, and which require all the time and effort that we are able to devote to them, I hope I shall have the support of all sections of this House and of the public outside.

2. I do not propose to dwell at any length on the developments in this country or outside in the interval since my predecessor presented his budget to this House. Although it is over

eighteen months since the end of hostilities and statesmen in all countries have striven unceasingly for peace, the prospect of a just and lasting settlement seems as far away as ever while the rehabilitation of countries devastated by the war is proceeding with painful slowness. In our own country, as in other countries, the year that is closing has been a difficult year of transition. I need not dilate on the changes in the political field, as the events leading to the visit of the Cabinet Mission and the establishment of an Interim Government at the Centre composed of the representatives of the two major political parties and the minorities and the Statement of His Majesty's Government of the 20th of February must be fresh in the minds of Honourable Members. These are momentous developments, especially the recent statement by His Majesty's Government declaring their intention to transfer complete power to the peoples of India not later than June 1948. It is yet too early to envisage clearly all the changes foreshadowed by the statement, but this much is certain that the responsibility for shaping the future now rests entirely in our own hands. And while we may well feel elated at the prospect of the freedom that awaits us we must not forget the heavy responsibility that lies on our shoulders to ensure that the transference of power from British to Indian hands is effected peacefully and that the freedom that is achieved is true freedom for all the peoples of this vast sub-continent.

In the economic sphere, the progress in the return to peace-time conditions has not been as rapid or as smooth as could have been wished. Although the deflationary tendencies, which at one time were expected to manifest themselves soon after the end of the war, have happily not materialised, the transition to peace-time economy has been slow and halting. Inflationary trends have continued to persist and prices are still running high. The war-time shortage of consumer goods has not yet been materially alleviated, in spite of a large expansion of imports, as internal production has been unable to fill in the gap between the huge pent-up demand left over from the war years and the available supplies. Production has been hampered by the inevitable delay in obtaining capital goods in a world clamouring for them after the widespread devastation of war, by labour unrest and strikes in the country by persistent difficulties in the rehabilitation of the transport system and by the terrible and tragic happenings in certain parts of the country which have not only marred the fair name of India but brought untold hardship and misery to large sections of the population. In addition to all these difficulties, in themselves formidable enough, there has been the continuous anxiety about the food position in the country whose normal shortage had been immensely aggravated by the failure of the rains in South India and parts of the North and the consequent threat of famine. We have fortunately staved off disaster

thanks to the generous, but still inadequate, imports of food-grains from overseas and the stringent rationing over wide areas of the country, but the position still continues to cause grave anxiety and cannot but have a hampering effect on the recovery of the country.

Without a measure of assurance about the shape of the future constitution, it is not easy to formulate any long-term economic or financial plan and the House will appreciate the difficulty in which anyone in my position is placed in the circumstances. In view of the latest announcement of His Majesty's Government the coming year is bound to be full of intense political activity, and what will occupy men's minds most will be the prospective constitutional changes. But it does not follow that we should merely mark time till the constitutional issue is settled. Without in any way prejudging or prejudicing that issue, we can, and have to, go forward in tackling the urgent economic problems of this sub-continent and in raising the living standards of its peoples. The present inflationary trends have to be kept in check and provision made for maintaining the level of employment and production when deflationary trends manifest themselves as they are almost bound to sooner or later. Production has to be fostered and developed, the cost of living has to be reduced and, within the available resources, plans for the social and economic betterment of the people at large have to be implemented. In short, poverty has to be attacked on every front. I shall do all that lies in my power to assist in tackling these problems.

Before I go on to deal with the estimates I must express my regret to the House that it has not been possible to present this Budget in the usual detail. The reason is that machinemen and lino operators in the New Delhi Government Press have been on strike during the period crucial for the printing of the Budget documents and we have had to restrict our demand for printed matter to a minimum in consequence. I would like to mention that the Government Presses have been on strike intermittently since March 1946 in spite of ever increasing concessions covering shorter hours of work, reduced standard of work measurement, more holidays, increased rates of dearness allowance, improved pensionary benefits and interim financial relief; the last of these being still further increased in January 1947 to cover the period from the 1st January 1945 to the 31st December 1946 at the monthly rate of Rs. 8 to industrial workers in the Presses on basic pay below Rs. 40 a month. In spite of this exceptionally generous treatment, the Press employees again struck work early this month with resultant dislocation at a particularly critical period for the Government and the Legislature. The strike terminated only on the 24th of the month.

FINANCIAL YEAR, 1946-47

Revenue.

3. I shall now proceed to a brief review of the financial position in the current and the ensuing years.

The revenue receipts for the current year are now estimated at Rs. 336.19 crores an improvement of Rs. 29.66 crores over the budget.

Customs receipts are expected to improve by Rs. 23.02 crores partly as the result of larger imports made possible by a general easing of the supply and shipping position and partly to the imposition of export duties on cotton and tea and the enhancement of the export duty on jute. Under Central Excises, however, we now expect to realise only Rs. 42.78 crores against Rs. 44.32 crores taken in the budget. Under Income-tax we anticipated a total yield of Rs. 149.25 crores, Rs. 75 crores on account of E.P.T. and Rs. 74.25 crores on account of ordinary collections. We now estimate that the collections will amount to Rs. 72 crores on account of E.P.T. and Rs. 85 crores on account of ordinary collections. The divisible pool of income-tax is now estimated at Rs. 69.81 crores and the Provincial share, after adjusting an overpayment of Rs. 1.28 crores last year, at Rs. 29.87 crores.

The revenue from the Posts and Telegraphs Department we place at Rs. 31.15 crores, an improvement of Rs. 57 lakhs over the budget. But working expenses will be Rs. 4 crores more owing to the grant of interim concessions to the staff following the strike last summer and the award of the adjudicator appointed to enquire into their dispute with Government. In the result the net surplus is expected to be Rs. 4.78 crores against Rs. 8.33 crores estimated in the budget.

The Railway contribution is now taken at Rs. 5.61 crores against Rs. 7.36 crores taken in the budget.

Expenditure.

4. *Defence Services.*—Following the practice introduced by my predecessor last year, I shall confine my remarks on the Defence Services to matters of policy or major financial interest, referring the House to the Explanatory Memorandum for fuller information regarding the activities of those services.

5. The original programme of general demobilisation which started in October 1945 has been largely adhered to but some retardation was necessary in the latter part of 1946 owing to internal disturbances in the country. Nevertheless the process of releasing personnel from the Services under that programme will be nearing completion by the beginning of the budgetary year

and it is anticipated that the provisional demobilisation target will be reached by about the middle of that year. On the 31st December 1946, the total numbers released since the commencement of demobilisation were army 1,187,000, navy 20,000 and air force 18,000. This, in the difficult conditions obtaining during the year, represents a notable achievement.

6. One event of considerable general interest which may eventually lead to some reduction in our defence budget is the setting up during the year of the Armed Forces Nationalisation Committee under the chairmanship of the Hon'ble Sir N. Gopalaswami Ayyangar, which, as its title implies, is to enquire into ways and means of speeding up the replacement of non-Indian personnel by Indians throughout the Defence Services. Considerable progress has already been made towards this goal, and it is hoped that the deliberations of this Committee will result in its early attainment.

7. The budget estimate for the Defence Services for 1946-47 was Rs. 245.34 crores and the revised estimate is Rs. 240.11 crores. The decrease is due mainly to the receipts accruing to India from the sale proceeds of American surplus stores as a result of the Washington Lend-Lease Agreement to which I refer elsewhere in this speech, and to an overestimate in the budget of India's liability for stores. These factors were offset to some extent by heavier expenditure caused by the retardation of the rate of general demobilisation already mentioned, and heavy arrear payments on account of Reciprocal Aid to the U.S.A., chiefly relating to the supply of raw materials and compensation for damage to tea gardens requisitioned for the U.S.A. forces.

8. *Civil Estimates.*—The revised estimate of civil expenditure is Rs. 143.36 crores, an increase of Rs. 32.35 crores over the budget.

The reasons for the variations under individual heads resulting in this net increase are given in the Explanatory Memorandum accompanying the Budget Statement and I propose to mention here only the more important factors leading to this increase. The subsidising of imported foodgrains supplied to Provinces and Centrally administered areas to avoid disturbance to our internal price structure, which was decided upon after the budget was framed, is expected to cost Rs. 20 crores. The interim concessions sanctioned during the year to the low paid staff on account of the cost of living are estimated to cost Rs. 2 crores. There is a special provision of Rs. 3 crores under Civil Works for the clearance of outstanding liabilities for supplies. Expenditure on the Tribal Areas is expected to show an increase of about Rs. 1¾ crores mainly due to additional expenditure on works, the expansion of certain levies and the embodiment of fresh

levies as part of the scheme for the gradual replacement of the regular Army in Frontier Defence by Civil Armed Forces. A payment of Rs. 2½ crores has also been made during the year to the Government of Nepal in commutation of part of the annual present to that country for war services, to be utilised on development schemes such as hydro-electric projects of mutual benefit to both India and Nepal. Owing to additional expenditure on disposals and the slowing down of the pace of its contraction, the expenditure on the Department of Industries and Supplies is expected to be about a crore more than the original estimate. These special items account for nearly Rs. 30 crores of the net increase over the budget estimate. The balance is accounted for by increases spread over a number of heads mostly on the expansion of departments, purchases of additional stores and so on. The excess would have been somewhat larger but for the saving of Rs. 4 crores in the provision for resettlement due to the slowing down of demobilisation and the time taken for the formulation of the necessary plans.

9. To summarise the position. The current year's budget provided for a revenue of Rs. 306.53 crores and expenditure charged to revenue of Rs. 354.78 crores leaving a deficit of Rs. 48.25 crores. Revenue receipts are now estimated at Rs. 336.19 crores and expenditure charged to revenue at Rs. 381.47 crores leaving a deficit of Rs. 45.28 crores.

10. Before I go on to deal with the estimates for the coming year, I should like to advert briefly to one or two important points affecting Central expenditure in which the House will be interested.

11. The sudden cessation of hostilities in the East created two major problems which had to be given immediate consideration, viz.,

(*a*) the cancellation of the pending demands for warlike stores, and

(*b*) the transition of industry from war to civil production.

The expeditious reduction of the outstanding demands was necessary not only to prevent the accumulation of unnecessary stocks and to limit Government's financial liabilities to the minimum but also to release India's limited resources of productive capacity and essential raw materials for civil production. Two committees have, accordingly, been set up to finalise the reduction of demands before the end of the financial year and satisfactory progress has already been achieved. Cancellations of contracts to the value of Rs. 50 crores have been effected to the end of December for the payment of compensation of only Rs. 34 lakhs.

A Development wing has also been set up in the reconstituted Department for Industries and Supplies with the immediate task of assisting reconversion of industry from war to civil production by according necessary priorities, transport and other production facilities.

In the course of the year, a Technical Mission was brought out from the U.K. to advise the Government of India on the establishment of aircraft manufacture in this country. In accordance with their advice, the Hindustan Aircraft Factory at Bangalore is being reorganised to undertake the manufacture of aircraft as well as railway coaches.

Disposals.

12. The House will remember that mention was made in the Budget Speech last year about the deputation of two senior officers to America to settle the financial issues arising out of Lend-Lease and Reciprocal Aid and the transfer to the Government of India of the stocks and installations accumulated by the United States authorities in India during the war and now surplus to them. A delegation went to Washington for this purpose last April and a satisfactory settlement has been reached with the United States Government. Under this agreement, all outstanding claims arising out of Lend-Lease, Reciprocal Aid, United States owned surpluses and all other claims arising out of the war have been cancelled subject to the condition that if the sale proceeds of United States owned surpluses, after deduction of customs duty, exceed the equivalent of 50 million dollars (equal to Rs. 16.7 crores) half the excess proceeds should be paid to the United States authorities in rupees to be spent by them in India only on the acquisition and improvement of real property, the financing of agreed schemes of cultural and educational interest to the two countries and, if any balance is left, for defraying the governmental expenses of the United States in this country. Vigorous steps have been taken to feed the surpluses so acquired into the main stream of distribution. The total sale proceeds of the surpluses are likely to exceed 50 million dollars.

In addition to these American surpluses, considerable quantities of stocks held by the defence authorities have become surplus to the requirements of the armed forces as a result of the end of the war and subsequent demobilisation. It is fully realised that the expeditious disposal of all these surpluses is not only in the financial interests of Government but also of the utmost importance to the economy of the country, and every effort is being made to ensure that no avoidable delays occur in dealing with them.

13. A problem similar to that of the disposal of surplus stores has also arisen in the case of the Ordnance and other

factories set up during the war to meet the demands by Defence Services for Ordnance and other stores. Thirty-six such factories were established and the retention of many of them has been found to be unnecessary with reference to India's post-war requirements. An expert Committee was, therefore, set up to report on the future of these factories. In accordance with the recommendations of this Committee it has been decided to retain and regroup 15 factories as the peace-time Ordnance establishment and to dispose of 21 factories, mainly Clothing, Harness and Saddlery Factories, as an integral part of our policy to divert capacity from war to peace production. Again, as the peace-time load of Ordnance stores on the factories earmarked for retention is negligible, it has also been decided that the spare capacity of these factories should be utilised for civilian production. This production will be supplementary to the production of the established industries and is intended merely to narrow the gap between supply and demand as a temporary measure. The most important item which is now being produced in the Ordnance Factories is road rollers. There is also a proposal to produce textile machinery and steel billets.

Miscellaneous Matters.

14. With the gradual return to peace-time economy it has been found possible to dispense with a large number of controls introduced in the war years. With effect from the 1st October 1946, the majority of these controls have been withdrawn retaining (apart from certain essential general controls such as those over imports, exports and foreign exchange) only those on commodities such as coal, textiles, iron and steel which are essential for the rehabilitation of the country's economy.

An expert committee called the Indian Coalfields Committee was set up during the year to study the problems of the conservation of the coal resources of the country and the rationalisation of coal production. The Committee has made far-reaching recommendations on the conservation, production, transport and utilisation of coal and on connected problems of administration and its report is under consideration. Meanwhile, I am sure the House will be reassured to learn that in the view of this expert Committee coal will not prove a handicap in the industrial planning of the country.

The Department of Planning and Development was abolished during the year and its functions were transferred partly to the Department of Industries and Supplies and partly to the Co-ordination Committee of the Cabinet, under which a Development Board was set up to consider and co-ordinate the post-war plans for development. The Department of Labour had grown

too unwieldy, particularly in view of the growing importance of the problems connected with labour and labour welfare, and has been split up into two separate departments of Labour and Works, Mines and Power.

The decision to appoint a Central Pay Commission to enquire into the conditions of service of Central Government servants with particular reference to the adequacy of the pay scales and standards of remuneration was announced last February. The Commission was appointed on the 10th May 1946 under the chairmanship of Sir S. Varadachariar, retired Judge of the Federal Court. It has nearly completed its task and steps have been taken to deal with its recommendations as expeditiously as possible. As the House is aware, an assurance has already been given that any changes in the rates of pay following the decisions on the Commission's recommendations will be given effect to from the 1st January 1947.

The allowances sanctioned on account of the cost of living to the lower paid staff were reviewed last summer and it was decided to sanction certain further concessions by way of interim relief. The cost of these concessions falling on civil revenues excluding Railways and Posts and Telegraphs is estimated at Rs. 2 crores.

I would like now to mention a recent decision of considerable importance, namely, the setting up of a Commodities Prices Board under the Finance Department. Hon'ble Members are well aware that a sound price structure is of critical importance to the economic health of the country, especially during the period of transition following on the economic upsets created by a total war. Concrete issues arise from time to time on which differing views are advanced not only as between the Provincial and Central Governments, the producers and the consumers but also as between the various departments of the Central Government itself. It is for these reasons that it was decided to set up an expert and full-time body to assist and advise Government in the formulation and administration of an appropriate and consistent price policy. Hon'ble Members will be glad to learn that the Board has now been constituted and is ready to embark on the onerous and important task that has been entrusted to it.

Financial Year, 1947-48.

Revenue.

15. I now turn to the financial year 1947-48. On the existing basis of taxation, the total revenue for the year is estimated at Rs. 279.42 crores compared with Rs. 336.19 crores for the current year.

Customs receipts have been placed at Rs. 89 crores, Rs. 1½ crores more than the revised estimate for the current year. The estimate allows for a full year's revenue from the additional duties imposed this year. Under Central Excise Duties the revenue is estimated at Rs. 40.93 crores but the drop as compared with the current year is mainly in respect of certain special cesses which are funded.

Income-tax receipts have been placed at a total of Rs. 135 crores which includes Rs. 40 crores on account of arrears of E. P. T. and Rs. 7 crores on account of arrears of Central surcharge. The total divisible pool is estimated at Rs. 76.33 crores and the Provincial share at Rs. 35.16 crores.

The revenue of the Posts and Telegraphs Department is expected to be Rs. 30.2 crores and the working expenses and interest Rs. 25.98 crores leaving a net surplus of Rs. 4.22 crores. As in the current year, the outright contribution of the department to general revenue will be three-fourths of the realised surplus, the department retaining the balance. The accumulated surplus of the department at the end of the current year is expected to be Rs. 8½ crores and it is proposed to give it a rebate of interest on this amount instead of on only Rs. 1 crore as hitherto.

As regards the contribution from the Railways, we are providing for Rs. 7.5 crores. The House is already aware of this estimate from the Railway Budget.

Expenditure.

16. *Defence Services.*—Although the general demobilisation of the Armed Forces and the shutting down of the war-time activities of the Defence Services will by the end of 1946-47 have brought us a very long way on the road towards the restoration of a peace regime in this country, the conditions likely to obtain during the year 1947-48 will, in some respects, be far from normal. On the Army side roughly 200,000 men will still remain to be released before the provisional demobilisation target has been reached. This target was prescribed mainly for planning purposes in order to ensure that the gigantic task of demobilising something like 1¾ million members of the Armed Forces was put through in an efficient and orderly fashion, and does not necessarily correspond to the final post-war Defence Forces to be maintained in this country. The problem of the strength and composition of India's post-war Army, Navy and Air Force, raises numerous considerations of high policy which are at present engaging our earnest attention. Not the least of these questions is the amount of money that India can and should spare for her Defence Budget having regard to the pressing demands on her

resources for social and economic development. Another important policy matter that arises in this connection is the extent to which British personnel should continue to be employed in and with India's Armed Forces. The recruitment of British officers into the Indian Army which ceased on the outbreak of the Second World War will not be resumed, and pending the complete nationalisation of that Army British Service officers will be seconded thereto for short terms of service only.

17. A major disturbing factor that will certainly persist throughout the year 1947-48 is that resulting from the existence of abnormally large stocks either held for the future requirements of the Defence Services or thrown up as surplus for disposals. The existence of these stocks necessitates the retention in the Defence Services of a considerable number of personnel who could otherwise be dispensed with, but it is hoped that many of these personnel will be released during the year as the disposal of surpluses progresses.

18. The Financial Settlement between the Government of India and His Majesty's Government relating to the allocation of Defence expenditure between the two Governments comes to an end on the 31st March,1947, and for the year 1947-48 normal accounting methods will be re-introduced as far as possible. Under the provisions of the Financial Settlement practically the whole of the Defence expenditure incurred by India was charged in the first instance to His Majesty's Government, India subsequently giving credit to that Government for the cost of equipping and maintaining troops and other war-time activities undertaken by her for local defence purposes. With effect from the 1st April 1947, all Defence expenditure incurred by India will be charged direct to her Defence Estimates as was done before the war, but appropriate recoveries will be effected from His Majesty's Government in respect of the cost of Indian troops employed outside India and for any other supplies and services rendered to that Government.

19. For a great number of years India's Defence budget has included provision for what are termed Home Effective charges, representing the amount due annually to His Majesty's Government on account of expenditure incurred by that Government on recruiting, equipping and training British Service personnel for service in India. The amount of this liability was calculated actuarially when the strength of the British troops in India was practically constant, but under the conditions now obtaining, with a much reduced and rapidly dwindling British element in the Defence Forces of India, the calculation of this liability presents very great difficulties. India on her side has a counter-claim (which in existing circumstances

is substantial) for similar charges in respect of the Indian Army personnel employed by His Majesty's Government overseas, and the amount of this counter-claim too would at present be difficult to determine with any exactitude. A further difficulty arises in respect of the mutual liabilities of the two Governments towards each other in respect of non-effective charges. As the House is aware, agreement concerning these liabilities was entered into by India with His Majesty's Government during the war, but this agreement terminates concurrently with the main Financial Settlement and it is necessary to provide for something to take its place in respect of the liabilities for non-effective charges arising during the year 1947-48. A very rough assessment of the above-mentioned claims and counter-claims indicated a substantial net charge to India, but against this could be set the fact that His Majesty's Government make an annual payment (£2,000,000) to the Government of India in accordance with the award of the Garran Tribunal towards the cost of maintaining British troops in India. The problem of how all these liabilities should be assessed in the changed situation with which we are now faced has formed the subject of discussion with His Majesty's Government and, after a broad examination of the financial implications involved and in view of the pressing need for simplification of accounting work, it has been agreed that for the year 1947-48 there should be a mutual waiver of all claims and payments of the nature referred to above. It is felt that in all the circumstances this solution constitutes a fair and equitable settlement for both parties. It must be emphasised that this arrangement has been agreed upon in respect of the year 1947-48 only. The method of adjusting claims and counter-claims of this kind which may arise thereafter will have to be settled by negotiation in the light of the circumstances then existing.

20. I have referred in an earlier part of my speech to the heavy accumulations of stocks in the hands of the Defence authorities in India. Under the operation of the Financial Settlement these accumulations have been paid for by, and therefore belong to, His Majesty's Government and the Government of India propose to acquire possession of such stocks held on the 1st April 1947 whether for the future use of India's Armed forces or as surpluses awaiting disposal. They also contemplate buying out His Majesty's Government's interest in fixed assets comprising stores, buildings, hospitals, workshops, office and residential accommodation, etc., that have been constructed during the war at that Government's expense. The terms on which these stocks and assets are to be transferred will be negotiated in the course of the sterling balances discussions. Hitherto the sale proceeds of surplus stores thrown up by the Defence authorities and those resulting from the disposal of fixed assets created during the war

have accrued to His Majesty's Government on whom all expenditure connected with their disposal has fallen. From the 1st April, 1947, however, in view of the proposed transfers of ownership, all such sale proceeds will be retained by the Government of India. It has been decided that these receipts during 1947-48 as well as those arising from the sale of American surpluses will be kept in suspense outside the Defence Estimates and eventually adjusted as Capital receipts, since their credit to the Defence revenue estimates would tend to obscure the true cost of the Defence services. For a similar reason the amount to be paid to His Majesty's Government for the defence stocks transferred to Indian ownership on 1st April 1947 will (when known) be charged to a head outside the revenue estimates of the Defence Services. It is true that those estimates will from 1st April 1947 have to bear the cost incurred by the Defence authorities on the custody, handling and distribution of surplus stores, but against this may be set the fact that no charge will be made against those estimates in respect of the cost of stores used for the equipment and maintenance of the armed forces which are drawn from the transferred stocks.

21. The budget estimates of defence expenditure for 1947-48 amount to Rs. 188.71 crores. The practice introduced during the war of providing for certain classes of expenditure, e.g., on airfields, industrial expansion and new construction for the R.I.N. under a capital head will be discontinued and commencing with the year 1947-48, all such expenditure will be provided for in the revenue estimates. Owing to the abnormal feature to which I have already referred that will prevail during that year, this estimate cannot be regarded as affording any reliable guide to the probable size of India's normal defence budget of the future.

22. The cost of defence supplies and services likely to be rendered to His Majesty's Government during 1947-48 is estimated to be approximately equal to the cost of similar supplies and services received by India from that Government. Accordingly the year's activities in the defence sphere are not expected to have any net effect on India's sterling balances.

23. *Civil Estimates.*—Civil expenditure next year is estimated at Rs. 139.17 crores, Rs. 4.19 crores less than in the current year. The estimates include a total provision of over Rs. 13 crores under the various heads for expenditure on resettlement and development schemes. Subsidies on imported foodgrains are expected to cost Rs. 17.35 crores against Rs. 20 crores this year. Details of the provision under the individual heads are given in the Explanatory Memorandum.

24. The budgetary position next year may now be summarised. At the existing level of taxation the total revenue is

estimated at Rs. 279.42 crores. Expenditure charged to revenue is expected to amount to Rs. 327.88 crores, of which Rs. 188.71 crores will be on Defence Services, leaving a prospective gap of Rs. 48.46 crores. The figure of Rs. 327.88 crores does not include any expenditure which may have to be incurred as a result of decisions on the recommendations of the Central Pay Commission.

Ways and Means.

25. I shall digress at this stage, to give a brief account of the Ways and Means position.

In normal times the scale of Government borrowing is determined by their requirements of funds but in the war years, as the House is aware, it has been the policy to borrow as much as possible without raising the rates so as to draw off the surplus purchasing power in the hands of the community which would otherwise compete for the limited volume of available supplies. As I have mentioned elsewhere, there is still a serious shortage of consumer goods and, till this disparity between the available supplies and purchasing power is substantially reduced, the need to counter inflationary trends must be kept in view in regulating our borrowing.

We had budgeted this year for a total borrowing of Rs. 250 crores from the market and an expansion of our floating debt by Rs. 14 crores. We now estimate that the market borrowings this year would amount to no more than Rs. 112 crores and that the floating debt at the end of the year would be Rs. 4 crores less. We have been unable to reach the target assumed in the budget for a number of reasons. The operations connected with the conversion of 3½ per cent. Paper to which I shall shortly refer covered the bulk of the slack season when it is usual to float the regular loans. We thus lost valuable time and in subsequent months market conditions became more difficult owing to disturbances in certain parts of the country and the seasonal trade demands for funds. These demands have been heavier than usual due to the increase in prices of certain commodities like mica, shellac, tea and jute, the slower movement of crops in parts of the country affected by the recent disturbances and the lock-up of funds advanced on goods which are held up by transport or other difficulties. The borrowing operations were also hampered by strikes in certain important banks during this period.

26. During the course of this year, the Government of India successfully carried out the greatest conversion operation undertaken so far. The rate of interest on the 3½ per cent. non-terminable loans had become out of line with the rate structure for other loans, but as they were liable to be repaid at par after three

months' notice, they could not appreciate to a value appropriate to their rate of interest. It was, therefore, decided to exercise the option of repaying these loans and to replace them so far as possible by a 3 per cent. undated issue. Two loans were offered in conversion, one a 3 per cent. undated issue redeemable at the option of Government after forty years and the other a 2¾ per cent. issue redeemable in 1976. The conversion was an outstanding success and a tribute to the credit of the Government of India. Out of an outstanding balance of Rs. 273 crores well over Rs. 260 crores were converted, mostly in the 3 per cent. undated loan. The annual saving of interest resulting from this conversion will be about Rs. 1.3 crores.

27. For next year, the market borrowings have been taken at Rs. 150 crores. I have also assumed that Government will exercise the option of repaying the 3 per cent. Loan 1947-50, but the final decision will be taken in the course of the year and with reference to the conditions then prevailing.

28. My predecessor mentioned last year the reorientation of the Small Savings Movement from a war-time measure to a peace-time organisation with the primary purpose of encouraging consistent savings among the less well-to-do sections of the community. It will be the policy of Government to encourage the movement in co-operation with the Provincial Governments.

During the last financial year the total investments in small savings amounted to Rs. 62.34 crores while in the first nine months of the current year Rs. 35.38 crores have been invested. For next year the net receipts from this source have been estimated at Rs. 45.45 crores.

Sterling Balances.

29. My predecessor last year envisaged a sterling holding of the order of £1,330 million by the end of the financial year 1945-46. The total actually reached on 29th March 1946 was £1,293 million or Rs. 1,724 crores. He thought it possible that the year 1946-47 might see the end of the period of accretions to our sterling balances, and might even mark the beginning of an era of decreasing balances. That anticipation has been more than realised. After reaching a peak figure of £1,300 million or Rs. 1,733 crores on the 5th April 1946, the balances have shown a steady tendency to decline, the amount on 31st January 1947 being £ 1,204 million or Rs. 1,605 crores which means a decrease of about Rs. 128 crores in ten months. This decrease is due largely to the heavy imports of foodgrains which we have been compelled to make during the last year, as well as to imports of fertilisers, stores and equipment on Government account. It reflects also

some repatriation of British capital from India and an increasing flow of consumer goods of which the country has been starved during the period of the war. The sterling balances represent, by and large, the entire reserve of foreign exchange which this country will have at its disposal in the years to come for purchases of capital equipment required for our development programme and for meeting any unfavourable balance of payments. It is, therefore, a matter of paramount importance for our future to see that, apart from those consumer goods of which our people are badly and urgently in need, these balances should be wisely spent in the purchase of capital goods and the creation of productive assets, and should not be allowed to be frittered away, for instance on luxuries, trifles or non-essential consumer goods in a manner which does not add to the real wealth of the country. To ensure wise spending abroad is a responsibility of the Government of India and I can assure the House that they are alive to this responsibility.

30. During the last session of the Assembly I gave the assurance that the negotiations for the settlement of the problem of India's accumulated sterling balances would be started as early as possible. For the purpose of expediting these negotiations there have recently been, as the House is aware, preliminary talks of an exploratory nature between the officers of the Finance Department and the Reserve Bank on the one hand and H. M.'s Treasury and the Bank of England on the other. The conversations were extremely useful to both sides. It is expected that they will be continued on a more formal basis towards the end of April. The imminence of constitutional changes consequent upon the latest statement of H.M.G. renders it all the more important that the question of sterling balances should be settled at the earliest possible date. I shall, therefore, try my best to bring to bear on this matter as much expedition as the magnitude of the problem permits. I need hardly assure the House that I am fully conscious of the fact that our people have gone through untold hardships and suffering to such an extent that hunger and famine have taken a toll of millions of lives and, even to-day, the end of our suffering is not in sight. It must also be borne in mind that all this was because we not only bore our full share of our war burdens under the financial settlement, which was freely agreed to between H. M. G. and the then Government of India, but also had to strain ourselves to assist the United Kingdom and her allies in various ways. Our own share of burdens for which we are making no claim, was enormous and can stand favourable comparison with those borne by the richer nations. I cannot believe that any fair-minded person will wish to deny to a people so poor and backward as we, what is justly due to us and is so greatly needed for raising us from our appallingly miserable condition and it will be my aim to secure a just settlement of our claims.

Empire Dollar Pool.

31. My predecessor had dealt at some length with the origin and significance of what is known as the Empire Dollar Pool. In view, however, of the continued misunderstanding in the public mind on this subject the position was again fully explained in a Press Note issued by my Department on October 7, 1946. Honourable members are aware that the termination of India's membership of the Dollar Pool is a matter indissolubly linked with the settlement of the question of the sterling balances and I can safely say that such a settlement will coincide with the termination, so far as we are concerned, of the pooling arrangement.

International Monetary Institutions.

32. Before I close my review for the current year I should like to refer, with some gratification, to the notable decision taken by this House on the 28th October 1946 in approving of India's membership of the International Monetary Fund and the International Bank for Reconstruction and Development. It is a decision of far-reaching importance; it signifies our willingness to co-operate with other nations in the international economic fields, and to participate in arrangements devised by common agreement for the better regulation and control of international commercial relationships.

I must also mention here the important decision, taken in the concluding month of last year, to fix the par value of the rupee in connection with our membership of the Fund. This formed an essential preliminary to the commencement of operations by the Fund and all member-countries were similarly called upon to determine the exchange value of their currencies. Our decision not to vary the existing parity rate was taken with due regard to all the relevant factors which bear on this difficult problem, and was in consonance with the vast majority of opinion expressed by public bodies and private individuals qualified to speak with authority on this subject and the majority view expressed by the Hon'ble members of the House consulted by me at a special meeting. I am confident that the decision was a wise one and I derive no little satisfaction from the fact that no country of any consequence has chosen to take a different course.

Necessary provision has been made in the estimates for the payment of our subscription to both the institutions. During the current year a sum of 60 million dollars, representing 15 per cent. of our quota, has been paid to the Bank and 5 per cent. will fall due next year. The International Monetary Fund has announced its intention to commence operations from the 1st March 1947 and our full subscription of 400 million dollars will

have to be paid to the Fund during the current year. The total expenditure on account of these subscriptions, which is being taken to capital, is expected to amount to Rs. 152.19 crores this year and Rs. 6.62 crores next year. The bulk of these payments will be made in the form of non-negotiable non-interest-bearing securities, for which provision is being made in the estimates.

Post-war Planning and Development.

33. Before dealing with the progress of post-war development and the financial aspect of measures undertaken and contemplated, I would like to refer briefly to the financial resources likely to be available for the purpose. The House will remember that in his Budget Speech for 1944-45, Sir Jeremy Raisman suggested that it would not be unreasonable to expect that, taking Revenue surpluses and borrowings together, the total resources in the first effective quinquennium may be of the order of Rs. 1,000 crores. That tentative estimate was based on certain assumptions, such as the attainment of a reasonably speedy rate of demobilisation and an all out taxation and borrowing policy, not all of which have been realised in full. A later estimate prepared on more up-to-date information has shown that on the existing basis only a very small surplus on Revenue account would accrue to the Centre for the quinquennium as a whole and the total resources including borrowing would fall substantially below the figure mentioned by Sir Jeremy Raisman. The House will doubtless appreciate that any estimates framed now would in view of the uncertainty in the constitutional field introduced by the recent announcement of H.M.G. be of no more than academic interest. Until the constitution of the authority or authorities to which the powers and functions of the present Central Government will be transferred is known, it would hardly be prudent to rely, for the quinquennium in question, on a system of Provincial and Central finance based upon the existing constitutional structure. But as I have said before, this does not mean that for next year we should not proceed with our economic programme, particularly in the Provincial sphere. Long-term plans the execution of which is entrusted to departments of the existing Central Government would, however, need review in the light of the new situation but everything possible should be done to foster development on a provincial and regional basis. I must, therefore, stress the imperative necessity of mobilising all our resources to the full, and for the fullest co-operation on the part of the public in all the borrowing operations by Government.

34. The deflationary tendencies which in last year's Budget Speech were envisaged as a possible result of the sudden curtailment of Military expenditure have proved to be less serious than was anticipated. Indeed, during the past year the main problem

has been that of preventing a further inflationary rise on prices rather than of mitigating their decline. As the situation developed, it was found necessary to warn Provincial Governments that the works programme in their development schemes should be restricted to what their staffs could execute without undue strain, and within the limitations of material likely to be available, so as to avoid competitive increases of building costs which are already very high. It has been suggested to them that a careful watch should be maintained on the cost of construction of various types of works, so that their works programmes could be eased off if prices showed any tendency to rise and accelerated if there were signs of a general fall in prices.

35. Subject to this warning the Provincial Governments have been encouraged to proceed with their development programmes and considerable progress has in fact been made during the year. As I have already indicated, our financial position is not so satisfactory as had been hoped when the scheme for development grants to the Provinces was first announced, but in spite of this deterioration in our position we shall continue to give every possible assistance to development schemes which are of economic value to the country as a whole. I should only like to emphasise two points in this connection. In the first place I consider it essential that preference should be given to schemes which are designed to secure the development and expansion of the productive capacity of the country. The second point which I wish to emphasise is that even for the period of transition the development programmes can be carried out more successfully if there is full co-operation between the Central and Provincial Governments and full utilisation of Provincial as well as Central resources. The Government of India will make every effort to provide during the next year grants for the Provinces to the extent indicated in the last year's Budget Speech, although these grants are necessarily dependent on our financial position. The development plans on the scale contemplated by the Provincial Governments can be carried out if they are prepared to exploit their own powers of taxation to the full and to supplement the Central grants from the proceeds of such taxation and of their own borrowings. They must learn that they possess borrowing capacity independent of that of the Centre, which cannot borrow on the security of Provincial revenues; and that revenue resources may legitimately be supplemented from loan money for measures calculated to increase national wealth, even though they may not result in direct or immediate revenue return. An increase in real wealth is bound sooner or later to be reflected in larger revenues to the State.

36. During the current financial year we are making advance payments to the Provincial Governments to cover the whole of the expenditure incurred by them on approved development

schemes. These advance payments will be taken into consideration when the share of each Province in the total amount available for distribution comes to be calculated. In our budget estimates for 1946-47 we made a lump provision of Rs. 35 crores for such advance payments and for expenditure on "Grow More Food" and other schemes whose cost is shared between the Central and Provincial Governments. Mainly owing to shortages of staff and material, the Provincial Governments have not been able to spend as much as had been anticipated and we now estimate that the total amount required during the current year will be of the order of Rs. 25 crores. In addition to this, loans granted to Provincial Governments for productive schemes are expected to amount to Rs. 11½ crores. In the next year's budget we have provided Rs. 45 crores for development grants and Rs. 32 crores for loans to the Provinces. It is not intended that the grants for next year should, as in the current year, represent the total amount of expenditure incurred by the Provincial Governments on development schemes. I hope that in most cases it will considerably exceed the amount of the grant, but we have not considered it practicable for next year to insist on a specific proppr-tion of the total expenditure being contributed by the Provinces, since some Provincial Governments have at present practically no accumulated funds available for this purpose and it will take some time to build up the necessary resources. Other Provinces, however, have substantial funds already available for development purposes. Such Provinces will naturally be expected to use a part of their own resources during the year.

37. The Central development plans have also made good progress during the year. These include schemes of agricultural development, training schemes for technical staff and financial assistance to various scientific, medical and technological institutions. We have also made provision for important development schemes in the Centrally Administered Areas and in the Tribal Areas on the North-West and North-East Frontiers of India. The funds provided for development purposes are distributed between many different heads, but I have roughly estimated that, if allowance is made for increases in standing charges, the total provision in the revenue section of the budget (excluding Railways and Posts and Telegraphs but including resettlement schemes) would come to over Rs. 15 crores.

38. One important development which deserves specific mention is the assumption of financial responsibility for the construction of and maintenance of National Highways. It has now been agreed that this change should come into effect on the 1st of April 1947 and we have made a total provision of about Rs. 6½ crores for National Highways expenditure during 1947-48, Rs. 2¼ crores in the revenue budget and the balance in the capital budget.

39. Another item which was mentioned last year is the subsidised housing scheme. Owing to the very high cost of building there has not so far been much response to the Central Government's offer to pay 12½ per cent. of the total cost of approved schemes. The matter is, however, again under discussion with the Provincial Governments and we hope they will be ready to proceed with suitable schemes during 1947-48, in so far as this can be done without pushing up prices still further. Meantime the Central Government have themselves approved a special scheme for the housing of coal miners. It has been agreed that as an experimental measure 10,000 houses should be constructed on selected sites in the Bengal and Bihar coalfields and that houses of a similar type should be built for some of the railway collieries. The Central Government will pay a subsidy to the extent of 20 per cent. of the cost of these houses, subject to a maximum of Rs. 400 per house, and the balance of the cost will be met from loan funds. Since it is not at present considered practicable to effect large recoveries either from the owners or from the miners we propose to meet the greater part of the recurring charges by means of a small addition to the existing Welfare Cess on the total output of coal.

40. The only other schemes which I wish to mention specifically at this stage are the schemes for river development. I am glad to be able to say that, at a conference held last month, the Departments of the Central Government and the Governments of Bengal and Bihar reached a tentative agreement on the outlines of the Damodar scheme, which involves the building of eight dams and is expected to cost about Rs. 55 crores. A further conference will shortly be held at which we may expect the terms of the agreement to be finalised. The project affects more than one Province and many complex problems arise in reconciling all the interests involved. Considerable progress has been made in finding a suitable solution by the establishment of a Statutory Corporation which will be invested with the necessary authority by the Provinces and the Centre and financed by them in an agreed manner. It is hoped that a Damodar Valley Corporation will shortly be set up to plan, construct and administer the scheme, and that the construction of certain dams will start during the next cold weather. Considerable progress has also been made with the preliminary enquiries which are being conducted by the Central Waterways, Irrigation and Navigation Commission in connection with the Kosi and Mahanadi development schemes. It is obvious that schemes of this kind are of the utmost importance for the economic development of the country and I hope that the Governments concerned will continue to give them the highest possible priority.

41. As I have indicated earlier, the recent statement of His Majesty's Government has thrown everything into the melting pot and all the schemes for which the present Central Government has taken responsibility will have to be reviewed in the light of constitutional developments.

42. I should like to take this opportunity to emphasise the importance of regional planning in the economy of this sub-continent. The fundamental object of all planning and development is to raise the standard of living of the masses. In order to ensure a uniform improvement in the standard of living, it is essential that all parts of the country, particularly the backward areas, should develop a sound and balanced economy. A balanced economy implies the co-ordinated development of the soil, water resources, electric power, agriculture, industry, health, education and trade and a just and equitable distribution of wealth. Such an economy, in my view, can best be achieved if planning proceeds on a regional basis. The work of the Tennessee Valley Authority provides a classic example of what can be achieved by concentration of planning effort in a backward region. The Indian sub-continent with its population of four hundred million, which is one-fifth of the human race, and its area of nearly sixteen hundred thousand square miles, is far too big to be treated as one unit for the purpose of planning. It is often urged in support of Central planning that it would avoid overlapping and waste of resources. In the present undeveloped state of the country this would appear to be an academic argument which hardly has any relation to facts. The India of to-day is in such a backward state of development that it may well take at least another generation before we reach a stage when we can talk of overlapping and waste of resources.

43. Before I pass on to my proposals for reducing the gap between revenue and expenditure, the House will doubtless wish for an assurance from me that the estimates of expenditure of the Central Government in the coming year are not in excess of what is essential for the day-to-day administration and for necessary development. I am aware that there is a feeling in this House that the Central Government expenditure needs scrutiny in certain respects. I agree that, if only for the purpose of conserving our resources for development, there may be certain directions in which such a scrutiny can be usefully exercised. It may, for instance, be found that some of the establishments of the Government of India are susceptible of reduction. Again, certain war-time activities which in the first instance were undertaken to meet specified war-time requirements may have escaped review even though the need for them may have ceased to exist. And, lastly, it may also be necessary to see if the Central Government has undertaken any functions or activities which legitimately fall

within the Provincial sphere beyond what is necessary. Even though the Finance Department, in the course of its day-to-day working, conducts an examination of expenditure proposals keeping all these considerations in view, I feel that there might be advantages in an *ad hoc* review at this stage by a Committee which would examine the matter in its broad aspects and from a detached point of view. I therefore propose that a Committee, consisting of officials and non-officials, including members of the Legislature, should be appointed for this purpose. I should, however, make it clear that my object in proposing an Economy Committee of this nature is not to conduct a retrenchment campaign in the sense in which that expression is ordinarily understood. Although inflationary conditions still persist, a thoroughgoing retrenchment drive would not be appropriate with the possibility of a post-war deflation hanging over us, which might necessitate an expansion of public expenditure for counteracting an incipient deflation. What I am really anxious to secure is that the resources of the Central Government are utilised to the fullest advantage of the community and are not frittered away on objects which are neither essential for the day-to-day administration nor conducive to the development of the country. In other words, economy and the elimination of unnecessary, wasteful or extravagant expenditure is my objective rather than pure retrenchment.

44. An important question which I might mention at this stage is the nationalisation of the Reserve Bank of India. Honourable Members will remember the recent debate in the House which disclosed that there was a general consensus of opinion in favour of nationalisation. I said at the time that I would be prepared to give sympathetic consideration to the proposal for nationalising the Bank if this was found to be in the best interests of the country, after considering all the relevant aspects of the question. I have since given further thought to the matter and am convinced that the advantages of nationalisation outweigh any possible disadvantages. I have therefore come to the conclusion that the Reserve Bank should be nationalised; the time and manner of effecting the change being a matter for separate consideration in due course.

45. There is another matter which I should also like to mention, namely, the question of control over speculation on the Stock market and on the Commodity and Bullion Exchanges. The House will, I am sure, agree with me that in recent years speculative activity has tended to increase, particularly on the Stock Exchanges, with serious consequences on the banking system and credit structure of the country as a whole. Unbridled speculation has been a serious impediment to the growth of proper investment which is an essential condition of economic deve-

lopment. I regard speculation of this kind as a social evil indistinguishable from gambling, and its greatest mischief lies in the fact that it aggravates economic inequalities in a country where such inequalities are already serious. The question of regulating Exchanges has been the subject of a special enquiry by the Economic Adviser of my Department, and the views of Provincial Governments have also been elicited. I hope to place before the House after the necessary examination is completed the measures that may be necessary in this behalf.

46. The proposals that I have to place before this House, whether they involve the levy of fresh or the abandonment of existing taxation, are related, not to purely financial purposes, but to certain social objectives which, I am sure the House will agree, must be kept prominently in view by all those who have the good of the countless millions of this vast sub-continent at heart. India is a land of glaring contrasts and disparities ; we have here on the one hand a class of multi-millionaires rolling in wealth and holding the economy of the country in their grip by exploiting for their own profit the labour of the poorer classes, and on the other hand the vast multitudes who eke out, somehow or other, a miserable existence precariously near the starvation line. The conditions created by the last war served to accentuate these disparities ; the rich became richer and the poor poorer. This meant the concentration of wealth in fewer and fewer hands and, inevitably, the use of that wealth for the purpose of tightening the stranglehold of *Big Money* over the economic life of the country as a whole by the acquisition of businesses, companies, public utilities, and the Press. A set of conditions in which the few are able to wield such vast power over the many can hardly be regarded as anything but a negation of the principles of social justice. And although I am not one of those who consider the abolition of private property and the complete equalization of incomes as the only remedy for these ills, I do believe in the Quoranic injunction that wealth should not be allowed to circulate only among the wealthy, and the stern warning given against accumulations of wealth in the hands of individuals. It is against this background that my budget proposals have been formulated, although I am afraid I cannot claim that they represent anything more than the first stage of a policy of social justice and development which it will require years to bring to full fruition.

47. My first proposal in implementation of the policy I have indicated is the setting up of a Commission to investigate that aspect of the great private accumulations of wealth in recent years which is concerned with our direct taxation. We have heard a great deal for some years past about the enormous amount of income which is alleged to have escaped taxation either owing to deliberate evasion or to the inadequacy of the Income-tax

Department or to both. We have also heard of the huge sums that are said to have been made in black-market operations. And I must say that support for these opinions, which have been voiced in the Press and elsewhere, is found in the numerous reports of transactions in which businesses and properties of various kinds have changed hands for vast sums of money. The way in which some of these profiteers have flaunted their newly acquired wealth has been something of a public sensation. And when one considers that out of an annual income of Rs. 30 lakhs for the five years 1941-42 to 1945-46 inclusive—and I would point out that an annual income of Rs. 30 lakhs is a very exceptional income having regard to the fact that excess profits tax was in force during those years—i.e., out of a total income of a crore and a half for those five years only Rs. 21 lakhs would have been left after the correct amount of taxation had been paid, one is entitled to ask how the crores of rupees which have figured in many recent transactions were accumulated. There may be a good explanation but, if so, we are entitled to have it. I therefore propose to set up a special Investigation Commission with full powers to get to the bottom of this matter and to make recommendations to Government in regard to such action as may be found necessary.

48. I come now to my taxation proposals. Between the total estimated expenditure, both civil and defence, of Rs. 327.88 crores and the total estimated revenue, at the existing level of taxation, of Rs. 279.42 crores, there is a gap of Rs. 48.46 crores, which will be further enlarged by the withdrawal of the salt tax which I am proposing. This proposal will mean a loss of Rs. 9.25 crores of revenue, to which must be added a further Rs. 1 crore for refunds of duty on stocks. The expenditure on salt administration will be met by adjustment of the selling price of Government salt and of the cess on salt manufactured under licence, thus leaving a net loss of Rs. 8.25 crores. My problem then is how to fill a total gap of Rs. 56.71 crores. I have come to the conclusion that the greater part of this gap should be filled by direct taxation and my proposals for new or increased taxation are designed to yield Rs. 44 crores, of which Rs. 4 crores will go to the Provinces as their share.

49. In regard to the Salt Tax, the objections are well known —the most valid being that it is laid upon a prime necessity of life and that it is regressive, the poor man paying as much as the rich man and perhaps, if he is a manual worker, even more. On the other hand, the incidence on the individual consumer is light, while the annual yield in revenue amounts to more than Rs. 9 crores. Until recent years, the yield from the tax formed a substantial part of the revenue budget and previous Governments have felt unable to dispense with so large an individual contri-

bution. At the present time, however, the proportion which it bears to the total revenue is comparatively small so that this objection has considerably less force now than before. After careful consideration it has been decided that the tax should now be withdrawn. At the same time, we are impressed with the necessity for maintaining close control over the production of salt in India so as to ensure the maintenance of a high standard of quality and the provision of adequate supplies throughout the land, and to secure the country against periodical shortages due to the cutting off of external supplies. Until now Government's interest in the salt industry has been largely confined to the raising of revenue, hereafter it is intended that its interest should be entirely positive and constructive and should be directed towards developing India's salt resources to their full potential, improving the quality of the salt and making sufficient grades, to provide for all classes of consumers, encouraging increased consumption by individuals and by cattle, providing adequate supplies for industrial uses, keeping prices at a minimum and ultimately making India full self-supporting in this important commodity.

The excise duty on indigenous salt and the customs duty on imported salt will accordingly be withdrawn with effect from the 1st April 1947, but Government will continue its own production of salt and will retain control over organised manufacture and will also purchase or control all imported salt. Individuals will, however, be allowed to make or collect salt for their own purposes and those who wish to manufacture for sale will be allowed to do so subject to certan limitations which will be prescribed by rules.

In order to provide that as far as possible the full benefit of the remission of duty is passed on to the consumer, maximum wholesale and retail selling prices will be prescribed and failure to observe these maxima will be liable to penalty.

A Bill giving effect to these decisions and setting up machinery for the future control of the manufacture, import and distribution of salt will be introduced during the course of this session.

In September last year, in order to avert a salt famine which was then threatening owing to the reluctance of wholesale dealers to purchase salt in face of the possibility that the duty might presently be abolished, the salt trade was assured that it would not be put to loss in respect of substantial stocks of salt held at the time when such a change, if decided upon, should take place. In fulfilment of this promise dealers will be granted refund of duty on all bagged stocks of 30 maunds or more held in their possession on the 1st April 1947.

50. I would like to remind the House that the abolition of the Salt Tax is not the only form of direct relief to the poorer classes. A further and even more effective form of assistance is the expenditure of Rs. 17.35 crores on the subsidisation of imported food and the indirect subsidisation of food produced within the country in the form of 'Grow More Food' grants to which I have referred in an earlier part of my speech. The corner-stone of our economic policy is to maintain strict control over the prices of the basic necessities of life, food and cloth, so as to stabilise them at reasonable levels and keep them within the purchasing power of the poorest sections of the population. I am determined to take all steps in my power in furtherance of this policy.

51. In the field of direct taxation, I propose to raise the minimum exemption limit for income-tax, which is now Rs. 2,000 to Rs. 2,500. This raising of the limit will give relief to a considerable number of assessees who are hard hit by present conditions. In proposing this relief I am not unmindful of the feeling in its favour expressed by many members of this House in proposing amendments to former Finance Bills. The cost of the relief will be about Rs. 25 lakhs.

52. Coming now to proposals of additional taxation my most important contribution is the proposal to levy a special income-tax of twenty-five per cent. on business profits exceeding one lakh of rupees. The proposals for this tax are contained in a separate Bill and I do not desire to anticipate here the explanation which will be given when the Bill is being considered by this House. But I should like to point out that this proposed tax is very much more simple to operate and very much fairer in its incidence than the Excess Profits Tax. It also embraces professions and vocations which were exempt from the Excess Profits Tax. To prevent hardship in the case of moderate incomes a limit of exemption of one lakh of rupees has been fixed. This in substance corresponds to the "standard profit" under the Excess Profits Tax Act, and only the excess above one lakh will be subject to the tax. The yield of the tax is estimated at Rs. 30 crores for next year.

53. My next proposal is a tax on capital gains. Honourable Members must be well aware of the extent to which large capital gains have been made in recent years and are still being made owing to prevailing conditions. These profits are, as the law stands, outside the scope of the Income-tax Act. I feel very strongly that this lacuna in our legislation should be filled. There is stronger justification for taxing these profits than there is for taxing ordinary income since they represent what is properly described as unearned increment. The U. S. A. taxes such profits. I am well aware that possibly the chief reason why many countries

do not seek to tax them is the fear that losses claimed may exceed the profits declared. I am proposing to deal with this contingency as the U. S. A. have dealt with it, by allowing capital losses to be set off only against capital gains. This at least will secure us against a net loss under this head in any particular case. The proposals also distinguish between gains made from the disposal of capital assets held for two years and those held for more than two years. In the case of the former the usual rates of income-tax and super-tax will apply, while in the case of the latter super-tax will not be levied. This distinction, however, does not apply to companies as they are not assessed to graduated rates of super-tax. The proposals further provide for ignoring profits and losses not exceeding Rs. 5,000 a year. There are two reasons for this exemption. In the first place, we do not want to harass assessees or waste the time of our officers by investigating petty capital transactions and, secondly, we want to exclude the great majority of cases in which assessees dispose of personal possessions. The proposal is expected to yield Rs. 3½ crores next year.

These proposals for taxing capital gains are contained in a Bill, already mentioned, to amend the Income-Tax and Excess Profits Tax Acts which is being placed before the House. The part of the Bill which deals with Excess Profits Tax implements an undertaking previously given to provide for terminal losses. It recognises the fact that some expenses and losses incurred after the 31st March 1946—the date on which the Excess Profits Tax ceased to have effect—should in fairness be treated as relating to the E. P. T. period. It is proposed therefore to allow as a deduction from the profits of the chargeable accounting period ended on that date terminal expenses incurred after it and losses from the subsequent realisation of trading stocks held on that date.

54. My next proposal is to raise the rate of corporation tax from one anna to two annas. This is expected to yield Rs. 4 crores next year.

55. No change is proposed in the rates of income-tax but I feel that our present rates of super-tax are not sufficiently in accordance with modern trends in the taxation of high individual incomes. It seems to me that the maximum rate of ten and a half annas should be reached at points much lower than the present, which are Rs. 3½ lakhs for unearned income and Rs. 5 lakhs for earned income. In the scale which I am proposing the maximum rate is reached at Rs. 1.2 lakhs for unearned income and Rs. 1.5 lakhs for earned income. This will, in effect, mean, that, in these reaches of income the total of income-tax and super-tax taken together will amount to fifteen and half annas in the rupee. This proposal is expected to yield Rs. 2½ crores next year.

56. Finally, I come to the dividend tax which was imposed last year, not for the purpose of raising revenue but in order to

discourage the dissipation of a company's resources in excessive dividends. The idea underlying the scheme is that a company should be penalised if it distributed roughly more than one half of its profits left after taxation. So far as we have been able to ascertain from completed assessments, the policy which this tax seeks to enforce has been followed in the great majority of cases. But in order to discourage further those who still persist in distributing what we consider excessive dividends in present circumstances, I propose to tighten up the provision by making the rates of tax more penal. As the proposal will yield no tax if it fulfils its object and as that is my hope, I am estimating no yield under this head.

57. In the field of indirect taxation, I propose to raise the existing export duty on tea from two annas per pound to four annas per pound. This is estimated to yield additional revenue to the extent of Rs. 4 crores in the next year. I should emphasise that this duty is of a temporary nature and if circumstances arise which indicate that there is danger of curtailment of our exports of tea, it may be necessary to reduce the rate.

58. The effect of my proposals is to increase Central revenues by Rs. 39.75 crores which will leave a final deficit of Rs. 16.96 crores. But I must warn the House that the actual deficit may be much larger as the budget does not include any provision for the additional expenditure that may be incurred as a result of the orders that may be passed on the recommendations of the Central Pay Commission. Some losses in customs duty due to reductions in tariff may also arise as a result of the international trade discussions which are shortly to be held and in which India is participating. But we might reasonably hope that any such losses resulting to the public exchequer will be counterbalanced by the advantages accruing to the people of this country as a result of the tariff concessions which we hope to receive from the other countries in exchange for the concessions made by us.

59. Sir, I have done. We are passing through an exceedingly difficult phase. The transition from war to peace presents the economy of every country with problems of great magnitude and difficulty. In our case there is, superimposed on these problems, the still greater problem of the transfer of power from British to Indian hands. The problem of India's political emancipation with which is linked up the economic well-being of the country is intricate and the task ahead of us difficult. But if we tackle it with wisdom and courage and arrive at a peaceful, just and honourable settlement we will have succeeded in ensuring the future progress and happiness of the peoples of this vast sub-continent. The eyes of the whole world are on us. May Providence help and guide us during the most crucial year of our destiny!

RAILWAY BUDGET FOR 1947-48.

Speech of the Transport Member introducing the Railway Budget for 1947-48.

SIR,—I have the honour to present the Railway Budget for 1947-48.

This is, I venture to think, a unique occasion in the history of the Railways and of India as a whole, since to-day for the first time the Railway Budget is being sponsored by a Government at the Centre reflecting the political opinions of almost the entire House—I might say of almost the whole of British India. As the House is aware, it is only a month ago that I took over charge of the Railway Department from my distinguished predecessor Mr. Asaf Ali. I must, therefore, crave the indulgence of the House in performing the difficult task of presenting the finances of the Indian Railways with the necessarily brief acquaintance I have with these problems.

2. The Indian Government Railways are by far the largest industrial concern under one management in the country, employing over 9 lakhs of workers of all grades. Further they are almost completely nationalised and their financial stability has, therefore, a large bearing on the financial stability of the Central Revenues and consequently on the economic position of the country generally.

3. In view of the magnitude of this undertaking conditions in Railway service have not only an influence on other Government Services, but must of necessity have a profound effect on the industrial situation in the country. In the past, close contact has been maintained between the Railway Board and organised Railway labour and this contributed in no small measure to the industrial peace which, with very few exceptions, prevailed during the difficult years of war. It was, however, but natural that the large body of Railway servants who had worked so loyally and strenuously in furtherance of the war effort should, directly hostilities ended, have felt that their economic troubles would come to an end with the end of the war, and viewed with apprehension the possibility of retrenchment due to reduction in Railway activities and absorption of ex-servicemen. Thus in the cold weather of 1945-46 a number of communications were received by Government from the All-India Railwaymen's Federation over a constantly enlarging field.

Having carefully selected the demands in respect of which an impartial investigation might serve a useful purpose, Government appointed an Adjudicator in April, 1946, to consider the hours of work and periodic rest of Railway servants, the ade-

quacy of the existing leave reserve and the leave rules applicable to daily-rated and inferior staff. So far as retrenchment was concerned, Government, while appreciating the workers' anxiety, could not agree that the question whether there would or would not be work enough for all employees was a matter for adjudication as demanded by the Federation, since work must necessarily vary with the load which the Railways are called upon to carry. Government considered that it was the responsibility of Government as a whole to explore the possibilities of absorbing staff surplus to Railway requirements in alternative employment.

In May 1946 Government announced the appointment of the post-war Pay Commission with wide terms of reference which, *inter alia*, included consideration of machinery for the settlement of disputes relating to conditions of service arising between Government and Government's employees.

The All-India Railwaymen's Federation were, however, not satisfied with the steps taken by Government and on the 1st of June 1946 gave notice of a strike to commence on the 27th of that month. The acceptance of the Federation's demands would have involved additional expenditure far beyond the capacity of Railway finances, and the demands were, therefore, referred to the Standing Finance Committee for Railways for their consideration in the light of the expenditure which would be involved. Having heard in person the Secretary of the Federation and having considered their claims against the background of the economic life of the country and the condition of Railway finances, the Standing Finance Committee recommended the grant of interim relief to Railwaymen in receipt of a pay of Rs. 250 per month and below with retrospective effect from the 1st of July 1945, involving an additional expenditure in the current financial year of some 9 crores of rupees. Government accepted this recommendation and in consultation with the Federation it was decided to distribute this amount at the uniform rate of Rs. 4-8 per month to all employees drawing Rs. 250 per month and below. The Standing Finance Committee were of opinion that the question of retrenchment was not a trade dispute and that the Federation could not in law ask for the matter to be referred to an Adjudicator. They recommended, however, that in order to allay the fears of Railwaymen a high power committee should be set up, charged, *inter alia*, with suggesting practical methods of absorbing surplus staff on the Railways. In pursuance of this suggestion Government have since set up the Indian Railways Enquiry Committee, 1947. When the recommendations of the Standing Finance Committee were discussed with the All-India Railwaymen's Federation the latter contended that Government should not prejudge the issue of retrenchment by continuing to discharge surplus staff pending the Adjudicator's

award on the hours of work, etc. Government agreed to this proposal and instructions were issued to the effect that no Railway servant in service on 15th September 1945 should be discharged on becoming surplus unless he refused alternative employment until the Adjudicator's award had been considered by Government. In pursuance of this policy the number of discharges that have taken place since July 1946 is 430. It may interest the House to know that since the end of the war out of a total of about 9,25,000 Railway employees 37,100 were declared surplus of whom 29,000 have been provided with alternative employment and only 8,100 have been discharged of which over 4,000 were men who had been employed by the Railways, not on Railway work, but on behalf of other Government Departments.

The strike notice was finally rescinded by the Federation on the 21st of June 1946, nevertheless sudden strikes and stoppages of work have occurred in isolated Railway centres from time to time and one major strike—that on the South Indian Railway in August and September last—persisted fitfully for a number of weeks and although it never caused a total stoppage of traffic, it resulted in considerable inconvenience to the public and substantial loss to the Government and to the strikers themselves. In spite of every sympathy with the legitimate demands of labour I feel it my duty to warn those who have the great responsibility in these difficult times of advising and directing organised labour that strikes, stoppages of work and "go slow" policies will react detrimentally on both the country's economy and the workers themselves. Among the repercussions of such activities are a fall in revenue, dislocation of trade and industry, diminution of production and, therefore, a general deterioration of national well-being. If the earnings of the Railways are reduced the improvement of service conditions which the workers and Government alike desire cannot possibly be effected. With a Government in power pledged to the amelioration of conditions of life not merely of their own employees but of the masses generally, there can be no justification for strikes or "go slow" policies merely because time has necessarily to elapse before a full examination of such a complex subject can be carried out and decisions arrived at. It may be that for some time while these complex problems are under active examination the conditions of service, particularly of those who are not highly paid, may not be all that could be desired. But all Railway servants must rest assured that decisions on pay and conditions of service will be taken by Government as rapidly as possible after the reports of the Adjudicator and the Pay Commission have been received by Government. In view of this assurance, Government trust that, pending the revision of conditions of service, Railwaymen will observe strict discipline and apply themselves honestly, diligently and with goodwill to the duties which are

assigned to them. Indian Railwaymen have a great tradition to live up to and I hope that both in their own interests and in the country's they will make a determined effort to maintain it.

4. While on this subject of pay and conditions of service I feel it incumbent on me to utter a word of caution. Inflationary tendencies prevail in India to-day as is evidenced by the upward trend of prices during the last few months and no one can regard this with equanimity. Should the upward trend be emphasised by any factor the position may well get out of hand and we have learnt from the bitter experiences of the 1930 slump the extent of the hardships and suffering likely to follow in the wake of a period of severe inflation. Substantial increases in the pay level have to be met in turn by increases in freight rates no matter what economies may be found possible towards offsetting the increase in the pay bill. This in turn may lead to increases in the prices of commodities including necessities, and so the wage-earner finds himself no better off while inflation has received a fillip. And so the spiral goes on.

Prices of many of the necessities of life in India to-day are well above world prices and it is imperative that the upward trend should be arrested and the disparity reduced. I do not wish to prejudge the issue of the level at which wages should be fixed. But it is well to remember that if wages and salaries are pitched too high, they may not merely not result in any benefit to the workers themselves but may cause serious damage to the economy of India as a whole.

It seems to me quite possible that after a time retrocession from inflationary conditions may set in and the greater the height to which inflation reaches the greater will be the subsequent retrocession. Railways, as Government's largest spending industrial concern, will try so to arrange their development programmes as to be spending at the maximum rate when retrocession sets in, though meanwhile, in spite of the present inflationary tendency, Railways will be forced to undertake heavy expenditure in order to overtake the arrears of maintenance which war conditions occasioned and to render the Railways capable of carrying the load which the eventual industrialisation and development of the country will produce. It would be short-sighted in my opinion to postpone this very essential expenditure.

New Constructions and Restorations.

5. The post-war Railway Programme of new line projects and restoration of dismantled lines was prepared in 1944 in consultation with the Provincial Governments concerned, and a fresh reference has recently been made to them with a view to finding out whether any modification to the programme is considered necessary. Detailed survey investigations of projects

comprising about 5,000 miles of new constructions and of about 400 miles of restorations of lines dismantled during the war are at present in hand. Survey reports in respect of some of these projects have already been received and are under examination.

6. The present declared policy of the Central Government in respect of the financing of unremunerative lines has been to ask the Provincial Governments concerned to give an unlimited guarantee against loss for an indefinite period. This system has, however, not been found satisfactory, and two alternative proposals of financing branch lines have been offered to the Provinces, viz :—

(*a*) that the Railway Department and the Provincial Government concerned should share both the capital cost and the earnings on an agreed basis ; or

(*b*) that an initial lump sum subsidy should be paid by Provinces so as to render the capital cost to be incurred by Railways remunerative, the Province having no share in the profits.

Economy and Financial Control.

7. This brings me to the steps we are taking to improve the position regarding expenditure by the Railways. The Railway Board have already impressed on all Administrations the urgent need for effecting economy in expenditure in all possible directions. In addition, among the matters referred to the Indian Railways Enquiry Committee, 1947, to which I have already alluded, is the following :—

"To suggest ways and means of securing improvement in net earnings by—

(*a*) economies in all branches of Railway administration; and

(*b*) by any other means."

It will be seen that the Committee will be covering the whole field of Railway administration in a search for economies and in addition will be exploring the possibilities of improving net earnings through schemes which while involving additional outlay will yield net gains.

8. Another line of action which the Railway Board are pursuing to secure economy is the tightening of the machinery for financial control of railway expenditure, both at the headquarters of the Government of India and on the Railways. This matter has recently been receiving the attention of the Standing Finance Committee for Railways. As a first step the Railway Board have, with the approval of the Public Accounts Committee and the Standing Finance Committee for Railways,

rearranged the structure of the Demands for Grants with effect from the Budget for 1947-48. A self-contained note explaining the changes and reasons underlying them has been separately printed as part of the Budget literature to which I would draw the attention of Honourable Members.

The Railway Board have also under examination the development of a technique of control over expenditure better suited to the needs of a commercial department like the Railways than that now in force, which was worked out primarily for ordinary non-commercial spending departments of Government. They are also taking effective and practical measures to place at the disposal of the General Managers of railways improved machinery for financial advice and control. The reorganisation in the Board's office, which was an essential preliminary to the reorganisation on the Railways, has recently been carried out. The next step is to bring into existence a Finance Branch on each railway, which will not be concerned with routine accounts checks and which will be amalgamated with the Budget Branch of the General Manager's office. The necessary detailed investigations to this end have now been taken in hand.

Regrouping of Railways.

9. With the management of Government-owned railways passing into the hands of Government the problem of regrouping them into convenient units for more efficient management has assumed greater importance. Accordingly this matter has been considered afresh and while Government are alive to the necessity for taking up this question at the earliest possible moment, they feel that for two reasons no firm decision in this regard can be taken in the immediate future. Firstly, the railways have not yet recovered from the effects of war, and any attempt at regrouping at this stage would tend to throw the organisation out of gear to such an extent as to hamper rapid rehabilitation. Secondly, several new line constructions and restorations of dismantled lines are under investigation and any decision on regrouping would be premature until the investigations are completed and a decision is taken as to which of the projects are finally to be taken in hand.

Revision of the Rating Structure.

10. In the course of last year's Budget speech mention was made of the need that exists for revising the railways' goods rating structure and to the progress made in that direction. The task is complex and difficult. In order to afford the House and the general public an insight into the nature of the problem, Government have had printed and circulated a pamphlet explaining the existing structure and the steps that are being taken

to rationalise the rates. The revision calls for extreme caution both in the interests of the public and of the Railways. If a uniform rating system, simple to understand and apply, is to be evolved, there must be assimilation not only of varying rating practices and procedures but also of the different commodity rate levels at present obtaining on the different railways. Assimilation infers changes to the advantage of some and to the disadvantage of others; as also changes which in some cases will benefit the trade and in others the Railways. Such is the inevitable result of any attempt to introduce uniformity where considerable diversity exists and if progress appears to be slow it is because of the complex nature of the many problems involved and the necessity for solving them in a manner which will be equitable both to the Railways and their constituents. Honourable Members will no doubt have seen the Press Note issued by the Railway Board in connection with the proposed experiment with the new type of telescopic 'class' rate to be applied to manures, oilcake and bonemeal (for manure) on a continuous mileage basis. The experiment commenced on the 1st of this month and will extend over a period of six months and much useful data, which will assist the work of revision of the rating structure as a whole, is expected to be obtained. Meanwhile, the revision of rules and regulations affecting the interchange of goods between the different railways; the routing of traffic; the division of earnings; procedure for the quotation and alteration of rates; the introduction of Station Rate Registers; and the revision of longstanding traffic agreements to bring them into line with the national character of the Railways, are all matters which are receiving close attention and satisfactory progress towards finality is being made.

There is still much work to be done and some considerable time must elapse before the changeover from the present rating system can be completed, but in order that the period shall be reduced to the minimum, a standing committee of Railway Rating experts has been set up with the dual object of hastening completion of the investigation and advising the Railway Board on all connected problems as they arise.

Restoration of Passenger Services.

11. The House will be interested to hear what has been accomplished so far towards the restoration of pre-war railway facilities. A total of 1,046 train services, covering a daily mileage of over 67,000 had been restored or extended since the war ended on the principal Railways up to 1st October 1946, and certain further additional trains the details of which have not yet been received from Railways have been re-introduced since then. Although the restoration in full of all services curtailed during the war has not yet been possible, considerable progress in this

direction has been achieved. The present passenger train mileage ranges from 80 to 90 per cent. of the pre-war services on most of the Railways. The Railways are most anxious to restore passenger train services to the pre-war level, but they are still handicapped by lack of coaching stock, a considerable amount of which is still on loan to the Defence Department.

During the war, in order to cope with heavy operational moves, the Indian Government Railways loaned 1,390 bogies and 68 four-wheeled carriages to the War (now Defence) Department, and these were used for the running of military special trains and military mail trains. By the end of January 1947 the Defence Department had released 679 bogies and 22 four-wheelers, leaving a balance of 711 bogies and 46 four-wheeled carriages still in use by the Defence Department.

The Railways are fully aware of the urgent necessity for placing the maximum amount of stock into service in order to relieve the present congestion in trains and every effort will continue to be made to increase train services to the maximum extent possible consistent with the stock available.

12. During the war 927 stations were closed for goods traffic and 515 for passenger traffic on the various Railways. Up to December 1946, 360 stations had been reopened for goods traffic and 146 for passenger traffic.

The Railway Administrations propose to continue the policy of reopening stations and restoring train halts as and when it is possible to do so.

13. I now turn to the question of rolling stock.

Manufacture of Locomotives and Boilers in India.

The Ajmer workshops of the B.B. & C.I. Railway have continued to manufacture locomotives so far as their capacity permitted. The first batch of ten XT/I class locomotives was completed last February and handed over to the N. W. Railway. Work on another batch of ten is now in hand and an order for fifty-eight YB. passenger locomotives was placed on these shops last August. The boilers for the latter will be manufactured in Tata's Singbhum shops. Reference was made in last year's Budget Speech to the delay occasioned in converting the locomotive repair shops at Kanchrapara into a locomotive manufacturing plant owing to the fact that the whole capacity of the shops had to be used for essential repair work to broad-gauge locomotives. A subsequent survey of the capacity available for repair work and the volume of work to be carried out in future, revealed that none of the capacity of the Kanchrapara shops could be spared

for manufacture. It has therefore been decided to erect an entirely new production plant at Kanchrapara North, a short distance away from the existing repair shops. Having in view our future requirements of locomotives the plant will be designed to produce 120 locomotives and 50 boilers a year with single-shift working, to which a further 30 locomotives could be added by working a second shift. The Standing Finance Committee for Railways approved of the scheme at a cost of Rs. 11.4 crores at their meeting last December. The construction of the shops and colony and installation of machinery are expected to be completed by September 1949. Thereafter manufacture can begin but the production of complete locomotives is not expected to begin in any appreciable numbers before the end of 1950.

As the House is aware the Singbhum workshops of the E. I. Railway were handed over to Tatas on the 1st of June 1945. They are now engaged on the manufacture of 100 SGS class boilers.

Imported Locomotives.

14. Of the total of 934 goods type broad-gauge locomotives ordered during the war, 930 have already been received and the balance will have been received and put into service by the end of the current financial year. The receipt of these locomotives has eased the situation considerably on the broad gauge as far as goods power is concerned. Our most pressing broad-gauge requirements now are express passenger type locomotives. An order has already been placed in the United Kingdom for 84 such locomotives to an existing design. A further order has just been placed in the U. S. A. for 16 locomotives to a new design which will burn non-coking coal. These will be used as prototypes for subsequent orders. These 100 locomotives are expected during 1948-49. An order for a further 300 locomotives has recently been placed in the United Kingdom though the final specification will not be decided upon until full trials have been carried out with the 16 prototypes. This has been done because capacity for manufacture and suitable delivery dates cannot be secured unless orders are placed now. The 300 locomotives are for delivery by 1950. These orders were placed with the approval of the Standing Finance Committee for Railways.

358 of the American goods type metre-gauge locomotives owned by the War Department but used by the Railways have been purchased by the Railways.

By the 31st of March 1948 we expect to have in service approximately 6,100 B. G. and 2,300 M.G. locomotives as against 5,215 and 2,064 respectively in 1939. Of these approximately 2,100 B.G. and 800 M.G. will be overage.

Coaching Stock.

15. Our Carriage Workshops are having to cope with the extensive repairs to coaching stock necessitated by the intensive use to which it was subjected during the war, often without adequate maintenance. Nevertheless it is hoped they will be able in addition to turn out 200 new coaching vehicles during the current year. Work has been hindered to some extent by shortages of material and labour difficulties.

Of the 216 B.G. and 94 M.G. underframes on order in Australia very few have arrived as yet owing to a shortage of suitable shipping. It is expected that most of them will be received in the course of this year. Orders have been placed in India for 826 B.G. and 254 M.G. underframes. On 350 of the B.G. underframes it is intended to have metal bodies built by outside firms. The Railway Board have decided that future broad-gauge passenger coaches shall be 11'-8" wide instead of 10' wide and it is hoped that the manufacture of these vehicles will be undertaken as from April 1948.

The various amenities discussed from time to time will be incorporated in these vehicles and for the purpose of demonstrating the standards of comfort planned by the Board for each of the new classes a train of prototype vehicles which will contain samples of the new III, II, I and Air-conditioned classes will be placed on exhibition in Delhi in March.

It will be appreciated that the designs for these new vehicles which are to be of special light weight construction and to have all metal shells, cannot be prepared rapidly and the earliest time from which the introduction of the change-over was considered possible was April 1948. It has therefore been necessary to construct the vehicles referred to above to the old width of 10'. At the same time every effort is being made to incorporate as many improvements in these carriages as can be managed. This, in the present difficult design and production situation, is the best that could be done.

By the 31st of March 1948 we expect to have in service approximately 14,100 B.G. and 7,800 M.G. coaching vehicles as against 12,347 and 7,309 respectively in 1939. Of these approximately 3,500 B.G. and 3,200 M.G. will be overage.

Wagons.

16. Of the 19,290 broad-gauge general service wagons ordered abroad during the war 11,455 had been delivered by the end of 1945-46 leaving a balance of 7,835. Practically all these have since been received, and all but about 2,000 of these wagons are expected to be in service by the end of next month.

The Railways have also purchased 6,505 metre-gauge bogie general service wagons as well as some special type wagons which belonged to the Defence Department but were being used by the Railways.

During the war, orders for 19,135 broad and metre-gauge general service wagons together with some special type wagons were placed on the indigenous wagon building industry. Practically all these wagons are expected to be in service by the end of this financial year.

In all 11,533 new broad-gauge general service wagons and 101 new metre-gauge general service wagons were put into traffic from the 1st of April 1946 to the end of December last. It is expected that a further 3,240 broad-gauge and 75 metre-gauge wagons will be put into use by the end of the current financial year.

By the 31st of March 1948 we expect to have in service approximately 168,000 B.G. and 56,500 M.G. general service wagons as against 140,000 and 51,350 respectively in 1939. Of these about 6,200 B.G. and 10,100 M.G. will be overage.

Coal.

17. Keeping the Railways adequately supplied with coal remains an ever present anxiety and, in some instances, train services have had to be curtailed and booking restrictions imposed for short intervals to tide over the more difficult periods. The North Western and Oudh Tirhut Railways and latterly the Great Indian Peninsula Railway have been particularly affected. Out of a total of some 26 million tons of coal despatched annually from the pitheads the Railways' requirements are of the order of 10 million tons so that fuel economy on the Railways is of very special importance. The Railway fuel economy campaign continues to be vigorously pursued. Every possible method of eliminating the wasteful use of coal is followed up and the special fuel economy staff, who were reintroduced in 1944, were responsible for a total saving in coal consumption of 174,413 tons in 1945-46, as well as seeing that the coal which is burnt is used more efficiently. Coal for locomotives is issued on an accurately rationed basis and a strict check is kept on consumption. The careful training of engine crews in the most economical methods of operation receives constant attention. In suitable areas, where locomotives can be effectively operated on oil fuel, increasing use is made of it, although this should only be regarded as a temporary substitute because it makes the Railways dependent on imported fuel. For ancillary services no coal is used where any suitable alternative fuel is available and increasing use continues to be made of cinders, scrap wood, scrap sleepers, etc. In workshops, measures for the conservation of heat, such as the lagging of boilers and steam lines progresses, as

efficient lagging materials become increasingly available. Fuel Economy Bulletins are issued periodically by the major Railways reviewing progress to date and detailing results achieved and measures under trial.

The production of the better grades of steam coal continues to be inadequate to meet the ever increasing demands and Railways, much to the detriment of operation, are forced to accept higher proportions of less suitable varieties and lower grades of coal. This has added to the difficulties of securing economy.

18. As a long-term policy the Railway Board are planning to reduce overall coal consumption by the introduction of rolling stock, both passenger and goods, materially lighter than that in use to-day.

19. In their construction projects the Board have given the highest priority to those in the coalfield area and those designed to facilitate the expeditious distribution of the increased raisings of coal that have been planned. The further additions to wagons and rolling stock which these developments will necessitate and other connected matters are now under active examination.

20. In their report the Indian Coalfields Committee have drawn attention to the need for conserving India's limited resources of good metallurigical coking coal. The Railway Board were already fully alive to the situation and are prepared to forgo the use of those particular high grades of coal required for metallurgical purposes as soon as suitable alternative arrangements can be effected. These are being examined; but the situation is not simple and an immediate change from existing coal resources to others is not possible.

21. The Board are also exploring the possibilities of alternative forms of power. They have under examination the prospects of electrifying 1,500 route miles of India's railways including the Bombay-Ahmedabad section of the Bombay Baroda and Central India Railway, the Howrah-Moghalserai section via the Grand Chord on the East Indian Railway and the extension of electrification on the Great Indian Peninsula Railway from Igatpuri to Bhusawal and from Poona to Dhond.

In addition the development of diesel electric, gas turbine and other forms of traction are being investigated.

Co-ordination of Transport.

22. In November last, my predecessor referred in his address to the Transport Advisory Council to the possibility of all forms of transport in the country being brought within the same focus and their co-ordination being entrusted to a Joint

Transport Board. A beginning has been made in this direction by the formation recently of a Central Board of Transport for co-ordinating the planning and execution of transport development with a view to eliminating wasteful competition. Though to start with, the Board is composed entirely of officials and has only advisory functions, it is hoped that it will in due course develop an integrated machinery for the co-ordination of all forms of transport so as to provide the best possible service for the least real cost to the community. Coming now to one aspect of this, namely, road-rail co-ordination, the House will recollect that in February last a sum of 3.48 crores included in the Budget for 1946-47 for investment in road services was refused on the recommendation of the *ad hoc* Committee of the House that further action should be postponed until the new Provincial Governments had had an opportunity to study individual schemes of rail-road co-ordination. Ministerial Governments in Provinces have since considered the subject and a number of them have intimated that they are in favour of co-ordinating both forms of land transport on the basis of financial association by railways with road undertakings. The Government of India have also reviewed the subject and are convinced that co-ordination is essential to avoid wasteful competition, protect Government finances and provide better transport services for the public. While of the view that in most Provinces this could best be achieved in the case of passenger transport by the formation of tripartite companies in which the Railways, the Provincial Government and road interests would participate, they would, however, permit Railways to associate financially in provincialised transport schemes while continuing to urge that an equitable adjustment of the existing operators' rights should not be overlooked. The Governments of Bombay, United Provinces and Sind have formulated schemes which include the Railways and it is expected that about 76 lakhs will be required for investment by Railways in these schemes in the Budget year. It has not been possible to estimate precisely the amount that will be required for investments in other Provinces but, judging by available data, some 75 lakhs will be required. A provision of 151 lakhs has, therefore, been made on this account in the Budget, with the approval of the Standing Finance Committee, on the understanding that no actual investment will be made in any undertaking until a detailed scheme has been approved by the Committee.

23. I will now proceed to explain the general budgetary position.

Actuals for 1945-46.

Our revised estimates of gross traffic receipts for 1945-46 was put at 225 crores. The actuals exceeded this by only ¾ crore. Net miscellaneous receipts were 41 lakhs above the revised.

Expenditure proved 4.8 crores less than anticipated mainly due to the throwforward of part of the anticipated debit to revenue of the inflationary element in the cost of rolling stock, the deliveries of which did not come up to expectations by the end of the year, partly offset by an increase in the loss on grain shops. The net result was a surplus of 38.20 crores as against the revised estimate of 32.07 crores. Of the surplus 32 crores went to General Revenues and the balance of 6.20 crores into the Railway Reserve. The throwforward of rolling stock resulted in a reduction of about 3 crores in the withdrawals anticipated from the Fund. The balance in the Reserve at the end of the year stood at 38.13 crores as against the revised estimate of 29.05 crores.

Revised Estimates for 1946-47.

24. Our budget estimate of gross traffic receipts for the current year was 177 crores. The revised estimate has been put at 206 crores, an improvement of 29 crores. Passenger earnings are up by 20½ crores of which some 7 crores are due to the military load falling away more slowly than had been anticipated at this time last year. Civilian passenger traffic has shown a remarkable upsurge due largely to the part restoration of pre-war train services and facilities. Other coaching receipts are up by 5 crores, again largely because of the slower reduction in military specials. Goods receipts are expected to be 3 crores higher.

25. On the other hand ordinary working expenses are now estimated at 159 crores, an increase of some 33 crores over the budget estimate. Of this, 10¾ crores is occasioned by throwforward from the previous year in delivery of locomotives, boilers and wagons the inflationary element in the cost of which is debitable to revenue under the special war-time arrangement of which the House is aware, and the payment of hire for Defence Department locomotives and wagons used by the Railways. Ten crores is due to the grant of interim relief and increased rates of dearness allowance with retrospective effect. Our budget estimate of the loss on grain shops anticipated some reduction in food prices. Food prices have, however, risen and this accounts for a further expenditure of 6⅔ crores. The fuel bill is up by 1½ crores.

Total working expenses, including depreciation and payments to worked lines, are now estimated at 174 crores. There is a saving of 65 lakhs in interest charges and an improvement of 6 lakhs in net miscellaneous receipts which partly offset this increase.

Supplementary demands voted by the House in November last, cover the major portion of the increased expenditure and further supplementary demands will be placed before the House later in this session to cover the remaining 7½ crores.

26. The net result of all the variations is that we now expect a surplus of 8.64 crores after meeting all charges, as against a budgeted surplus of 12.22 crores. In accordance with the *ad hoc* agreement mentioned in the budget speech last year General Revenues will receive only 5.61 crores against the budget expectation of 7.36 crores, the Betterment Fund will receive 3 crores and the Railway Reserve 3¼ lakhs.

27. The Betterment Fund was inaugurated this year with an initial transfer of 12 crores from the Railway Reserve. It will be debited with 1.4 crores for works chargeable to it during the current year and after receiving the credit of 3 crores plus interest will stand at about 13.8 crores.

28. The balance in the Railway Reserve will be reduced by the 12 crores transferred to the Betterment Fund and by some 5 crores under the special rules for allocation of the cost of rolling stock ordered during the war. It is therefore expected to stand at some 21½ crores at the close of the year, out of which 5 crores is earmarked for arrears of maintenance which accumulated owing to war conditions.

Budget 1947-48.

29. With existing rates and fares the budget estimate of gross traffic receipts for 1947-48 is 183 crores. The decrease of 23 crores from the revised estimate includes a further reduction of 14 crores in military traffic and 3 crores from parcels. The estimate makes some allowance for the adverse effects of increasing competition from road and other forms of transport, which are inevitable.

30. Our estimate for ordinary working expenses has been put at 135½ crores. I may mention that this estimate does not take into account any increase in the total wage bill which may result from the decisions which Government take on the recommendations of the Adjudicator and the Pay Commission. To cover any such increase it will be necessary to approach the House at a later date with supplementary demands. Out of the reduction of 23½ crores from the revised estimate for 1946-47, the fact that the special debits to revenue of part cost of works and rolling stock ordered during the war will be virtually completed in the current year and the non-recurrence of hire charges on locomotives and wagons owned by the Defence Department and used by the Railways, account for nearly 21 crores. The non-recurrence of arrears of interim relief and dearness allowance accounts for a fall of over 3½ crores. These reductions are partly offset by an increase of 1¾ crores in the provision for repairs under works and rolling stock.

The appropriation to the Depreciation Fund has been placed at 15.34 crores, of which 1.84 crores is a special appropriation made in order to credit to the Fund the amounts that would have been accumulated therein if the Bengal and North Western and the Rohilkhand and Kumaon Railway Companies' lines had been Government-owned from 1924-25 and had maintained a Depreciation Fund like the rest of the Government Railways. Payments to worked lines on the basis of present charges would be 1.6 crores and net miscellaneous receipts 2.95 crores. Interest charges are expected to be 26.58 crores. The net balance would then be 7 crores which has to provide for the contributions to General Revenues, the Betterment Fund and the Railway Reserve.

31. The revised estimates indicate that the contribution to General Revenues in the current year is likely to fall 1¾ crores short of the Budget estimate of 7.36 crores and in view on the one hand of the heavy commitments of the Government of India in respect of large development schemes and on the other of shrinking revenues and public borrowings, Government have fixed the contribution to General Revenues for next year at 7½ crores after the loss on strategic lines has been met.

32. The Betterment Fund is expected to open the Budget year with a balance of about 13.8 crores out of which it is expected to spend 4¾ crores. This Fund as the House is aware has to defray the cost of amenities for passengers, works connected with staff welfare including quarters for inferior staff, and certain non-remunerative operative improvements designed for the safety of passengers and improvement in the efficiency of the services rendered to the public. Expenditure from this Fund will increase rather than diminish in future years and it is considered essential that the appropriation to the Fund in the Budget year should at a minimum be 5 crores.

33. The Railway Reserve is expected to stand at 21½ crores at the end of the current financial year out of which 5 crores are earmarked for the arrears of maintenance which have accumulated owing to war conditions leaving a free balance of 16½ crores. Expenditure from the Reserve in the Budget year is put at 2 lakhs so that the balance at the end of the year would remain practically unchanged. A Reserve of this order for a commercial concern with over 800 crores capital at charge can only be regarded as quite inadequate. This fact was recognised by the Wedgwood Committee who recommended in 1937 that the Reserve should be built up to at least 50 crores. Government therefore consider it essential to provide for a contribution of not less than 5 crores in the Budget year. Even at this rate it will take seven years to build up the Reserve to the minimum level.

34. The requirements for contributions thus total 17½ crores to meet which the estimated balance is 7 crores. There is thus a gap of 10½ crores to be covered.

35. When there is a gap between revenue and expenditure, an industrial concern would set about putting matters on a sound financial basis by endeavouring to reduce costs as far as practicable and if by this means the gap could not be covered then it would have no option but to raise the prices of its products. It is in this way I have addressed myself to the problem. I have indicated earlier in my speech the attempts that are already being made to reduce working expenses and we trust that some further economies may evolve from the recommendations of the Railways Enquiry Committee. The measure of possible economies must of necessity be limited and this will be seen from a rough breakdown of the estimates of working expenses. Out of the total of 135½ crores, staff including pay, allowances, gratuities, provident fund contributions and loss on grain shops, account for 85½ crores. Government have pledged themselves to no retrenchment of staff until after the Adjudicator's recommendations are published and there is the possibility of a further increase in the pay bill as the result of the recommendations of the Pay Commission.

Fuel accounts for nearly 22½ crores, the cost of which is not within the control of Railway administrations though they are constantly pursuing measures to secure economy in consumption.

Consumption of stores for operation and maintenance including clothing, accounts for 23½ crores. In view of the load to be carried and the arrears of maintenance which have to be overtaken in the next few years the possibility of reduction under this head seems remote.

The remaining 4 crores covers a variety of smaller items such as the provision of stationery, forms and tickets, compensation for goods lost or damaged and for accidents, police, and certain contributions and grants.

36. Hopeful as Government are that some economies may prove practicable it is expected that they will do no more than arrest the rise in operating costs and the gap which exists now is not likely to be lessened in the near future. Government have therefore come to the conclusion that it is essential while effecting all possible economies, to take steps concurrently to moderate the decline in earnings. This can only be achieved on a falling volume of traffic handled, by a lift in the level of charges for both passengers and merchandise.

Early in 1940 when it became apparent that additional revenue would be required to cover the rising cost of operation due to war conditions, a surcharge of 12½ per cent. was applied

to freight on general merchandise except for foodgrains, manures and fodder, and 6¼ per cent. to passenger fares above Re. 1. No other increase was made in the general level of railway charges throughout the war years, except that the surcharge on parcels traffic by passenger train was raised from 12½ per cent. to 25 per cent., and so long as high revenue levels were maintained no further enhancements were made in spite of a phenomenal rise in the working costs.

To-day, however, we are faced with the inevitable result of the changed economic and social conditions that have emerged in the aftermath of war—higher wages and higher costs of materials, stores and fuel, all aggregating to the continuance of a high level of operating expenses, while on the other hand the level of revenues has commenced to decline and it is not at present possible to foresee the level to which they may eventually recede. Not only have the large revenues from military traffic and traffic actuated by the needs of war been cut off, but soon, road and other forms of competitive transport will be revived and intensified, as the vehicles of movement become increasingly available. In spite of the high degree of co-ordination with such forms of transport which the railways hope to achieve, a decline in railway revenues is inevitable.

37. Most reluctantly, therefore, Government have decided that the time has come to raise the level of railway charges to ensure the solvency of this national undertaking, and this, it is proposed to do by a 6¼ per cent. increase on the present level of fares above Re. 1 and the application of a 6¼ per cent. increase to fares below Re. 1 which have hitherto not been called upon to make any contribution to the increased costs of operation. The minimum fare of one anna will, however, remain. The yield from this increase is estimated at Rs. 4¾ crores.

As regards merchandise by goods trains, to which an increased charge of 12½ per cent. already applies, (except for foodgrains in wagon loads, manures and fodder) and to that by passenger train to which an increased charge of 25 per cent. applies, Government are anxious to avoid any action calculated to retard the development of nascent industry or to increase the retail prices of the necessities of life; but at the same time additional revenue to the extent of Rs. 5¾ crores has to be found and a rise in the freight rates for the carriage of merchandise cannot wholly be avoided without throwing a heavier burden on passenger traffic than is proposed. It is necessary to explain that there are many commodities, the general level of rates for which are to-day lower—and in many cases much lower—than what the traffic can bear, and it is believed that the additional revenue required can be obtained by lifting, within the framework of the

present scales of authorised charges, the level of many of the special and station-to-station rates now in existence. These rates owe their existence and the low level at which they are pitched, to economic and transport conditions which no longer obtain, and many commodities can afford to-day to bear a higher general level of charges than in pre-war days. Nevertheless, the increases contemplated, particularly in so far as these relate to the necessities of life, as, for example, foodgrains and piece-goods, will be individually far too small to offer any justification for an increase in retail prices. The incidence of the freight increases will never exceed one pie per seer of foodgrains or one pie per yard of cloth. The yield anticipated from these freight adjustments is about 5¾ crores, and although this may appear to be a large sum in the aggregate, the incidence of the increase will be so spread as to fall equitably and in just proportion to the ability of the different commodities to bear it. Government are of the view that this is a more satisfactory method of securing the additional revenue required than a general percentage increase which would fall equally on all varieties of merchandise irrespective of the lesser or greater ability of different commodities to pay the higher freight charges.

38. In making these proposals, Government have kept in mind the importance of keeping in check the inflationary tendency which still prevails. It will be realised that an increase in passenger fares is deflationary in effect, resembling in this respect an increase in direct taxation. An increase in freight rates, on the other hand, tends to raise prices, but as I have explained, our proposals are so framed that they will have no perceptible effect on the prices of essential commodities. Moreover, they involve no alteration in the general structure of our goods rates but are confined to a readjustment of the special rates brought into existence by conditions which no longer apply. The position roughly is that as against an increase of 185 per cent. in our wholesale price index and of 159 per cent. in the cost of living index (based on Bombay prices), the increases in rates and fares since the war started, and including those now proposed have not reached 12½ per cent. and 13 per cent. respectively.

The increase in passenger fares will take effect from the 1st March next and in the freight rates concerned from the 1st April next.

39. The effect of these changes will be to cover the gap of 10½ crores at present visible. The gross traffic earnings will then become 193½ crores. The printed budget estimates I am presenting to-day include the anticipated receipts from these enhanced charges.

Capital, Betterment Fund and Depreciation Fund Expenditure, 1946-47.

40. The budget estimate of the works programme for the current year was 34.54 crores, against which the revised estimate is 32.90 crores, 13.49 crores under Capital, 1.42 crores under Betterment Fund and 17.99 crores under Depreciation Fund. This includes a small provision of 7 lakhs for capital expenditure on the Vizagapatam Port, the administrative control of which was transferred to the Railway Department from the War Department on 1st April 1946. The settlement of the terms under which the Railway Department will assume full financial responsibility for the Port is nearing completion.

The expenditure on New Constructions in the current year is expected to be only about 42 lakhs, against 2 crores included in the budget, as final decisions have not yet been taken in regard to the constructions it was then thought might be commenced this year. Open line works expenditure is, however, likely to exceed the budget provision by 2.61 crores, mainly on the housing of colliery labour and the creation of a reserve of coal at Bokaro Colliery. Suspense balances are now expected to be reduced by 1.57 crores in pursuance of the policy of cutting down surplus stocks now that the war emergency is over. Expenditure on rolling stock is now expected to be about a quarter of a crore less than the budget since 144 suburban electric coaches for the Bombay Baroda and Central India and Great Indian Peninsula Railways, a ferry steamer for the South Indian Railway and 6 broad-gauge locomotives for the Madras and Southern Mahratta Railway and some boilers provided for are not expected to be received till 1947-48. As against these throwforwards provision has now been made for the difference between the price of 350 MacArthur locomotives and 2,100 metre-gauge wagons purchased from the Defence Department and provisionally adjusted last year and the price as finally settled this year, as well as for the cost of 8 more MacArthur locomotives and 4,588 more metre-gauge wagons which it has now been decided to purchase. Of the expenditure of about 2.8 crores involved in this, one crore will be charged to Revenue Working Expenses under the special rules of allocation for stock ordered during the war and the balance of 1.8 crores to Capital, the Depreciation Fund and Railway Reserve. Besides this, provision has also been included for certain broad-gauge locomotives and wagons expected last year but received only in the current year.

1947-48.

41. The works programme for the budget year is for a gross total of 58.42 crores, 33.45 crores under Capital, 5.50 crores under Betterment Fund and 19.47 crores under Depreciation

Fund. 2.47 crores is for New Constructions and for the restoration of dismantled lines, which include the Bhimsen-Khairada Section on the Great Indian Peninsula Railway and the Rupar-Talaura line on the North-Western Railway, which is expected to be opened to traffic during the year. 35 lakhs has been provided for the purchase of the Mandra-Bhaun Railway, of which 6 lakhs, representing premium, has been provided under Revenue Working Expenses. A provision of 1.51 crores has been made for probable investments in road services. No investment will be made without prior reference to the Standing Finance Committee for Railways. Capital expenditure on Vizagapatam Port accounts for 15 lakhs. For Open Line Works we have provided 54 crores, which includes $5\frac{3}{4}$ crores for staff quarters, the major portion being for inferior staff. Over 97 lakhs has been included for expenditure on amenities to staff such as the provision of institutes, hospitals, dispensaries, maternity and child welfare centres and improvements in sanitation and water supply in railway colonies. A lump sum cut of 15 per cent. has been made on the programme for Works, Rolling Stock and Machinery, as it is probable that the Railways will not be able to spend the full amount. The net provision thus comes to 50 crores of which 4.7 crores will be charged to the Betterment Fund and 16.09 crores to the Depreciation Fund.

Taking into account the increased receipts expected from the increases in fares and certain freight rates the balances in the Betterment Fund, Depreciation Fund and Railway Reserve at the end of 1947-48 are estimated at 14.56 crores, 101.92 crores and 26.45 crores respectively.

The Convention.

42. An exhaustive investigation has been carried out by officers of the Railway Board of the data available with Railway Administrations pertaining to replacements of the various classes of railway assets in past years. From this data provisional conclusions have been reached as to the appropriate figures for the lives of the various classes. The capital at charge of each railway is now, with the use of such records as exist, being apportioned between the various classes. When this has been completed it will be possible to calculate the appropriate annual contribution to the Depreciation Fund. It is hoped that this work will be finished in time to put the proposals before the Standing Finance Committee for Railways next July.

Government expect to arrive at early decisions on the recommendations of the Adjudicator and the Pay Commission so that the resulting effects on the Railway pay bill should be known within a reasonably short time. Although the future trend of traffic receipts may still be a matter for some specu-

lation it would in Government's opinion be advantageous to appoint a Committee now to review the whole question of the Railway Separation Convention. Even though the Committee may not be able to start their work in earnest before the late summer, if they are constituted now they will certainly be able to take up the work before the next session of the Legislature.

I shall therefore during the course of this session bring forward a motion regarding the election of members of the House to the Committee which Government propose to set up.

43. The first full year of peace is drawing to a close and looking back evidence is not wanting that some progress has been made along the difficult return path from war to peace conditions. The change-over is, however, so great and its effects on such a vast organisation as the Indian railway system are so profound, that it is not surprising if strains and stresses develop in many directions and a variety of difficult problems are thrown up. Added to the general unrest, which always follows in the wake of widespread war, there have been the unsettling effects of political changes. But given goodwill and the exercise of a little patience by the staff and the public alike, which I think the House will agree this Government is entitled to expect, the major difficulties will be smoothed out in the near future and we can apply ourselves to the rehabilitation and development which we all so earnestly desire.

44. I should like in conclusion to express on behalf of Government our warm appreciation of the work done by the staff and by all railway employees during the year. It has been an exceptionally trying and difficult year which has imposed a heavy strain on the whole of my organisation from the Chief Commissioner downwards. I wish to take this opportunity to pay a tribute to the loyalty and zeal with which they have discharged their duties under adverse conditions.

Rules and Regulations for the Measurement for Tonnage of Cotton and other Goods in Bales or Packages under the orders of the Bombay Chamber of Commerce.

Adopted at a Special General Meeting of the Chamber, held on the 24th September 1924.

I. Whereas it is expedient to collate and amend the Rules and Regulations for the measurement of goods.

II. All such Rules and Regulations hitherto in force are hereby rescinded and the following are substituted therefor with effect from the 1st April 1901.

III. In the following Rules and Regulations and in any Orders that may from time to time be issued by the General Committee of the Chamber of Commerce under Rule XVII—

(*a*) Measurer shall mean a measurer appointed by the Committee of the Chamber of Commerce for the purposes of these rules.

(*b*) Measurement shall mean measurement by such measurer.

(*c*) Shipper shall mean the person shipping the goods or his representative.

(*d*) Quay shall mean a place in the Docks or at one of the Bunders recognized for the regular shipment of goods.

(*e*) Vessel shall mean a vessel propelled by sail or steam and not being used for the conveyance of goods from the Quay to another vessel in the Port of Bombay.

(*f*) Boat shall mean a vessel, lighter or craft used for the conveyance of goods from the Quay to a vessel in the Port of Bombay.

(*g*) Package shall mean a bale, case, barrel, cask, bag or other receptacle subject to measurement.

(*h*) Consignment shall mean the whole quantity of one commodity subject to measurement to be shipped by one shipper in one vessel.

(*i*) Lot shall mean a package or number of packages forming part of a consignment and presented by one shipper at one time for measurement.

IV. Public Measurers shall be appointed under the authority of the Chamber of Commerce and stationed at the different quays to measure packages.

V. Fees, the amount of which shall from time to time be fixed under the Orders of the General Committee of the Chamber of Commerce, shall be levied in accordance with such Orders on all goods presented for measurement.

VI. No measurements shall be held good except such as are taken by a Measurer and with instruments bearing the stamp of the Chamber of Commerce.

VII. Such instruments shall be supplied and issued to the Measurers by the Chamber of Commerce.

VIII. All instruments shall be submitted to the Secretary of the Chamber of Commerce at intervals to be prescribed by the Committee and a register of such inspections shall be kept.

IX. Measurers shall be responsible for the good order of their instruments and for the prompt return to the Secretary of the Chamber of such as are defective or doubtful.

X. The Chamber's stamp borne by instruments that are found by the Secretary to be defective shall be by him defaced.

XI. Instruments on which the Chamber's stamp has been defaced may be re-stamped under the directions of the Secretary when they are in good order.

XII. Certificates of measurements shall be issued to shippers and/or to Ship Agents in such form and in such manner as the Committee for the time being shall from time to time provide.

XIII. Provided always that the Measurer may withhold or recall such certificate on his having reasonable cause to believe that an irregularity in the matter of shipment has been or is being committed in respect of the goods to which such certificate relates.

XIV. The goods measured shall be alongside the vessel within thirty-six hours after measurement, weather permitting, or the certificate shall be void and the packages shall be remeasured on board, written notice being given by the owner, agent or master of the ship to the Shipper and to the Measurer respectively.

XV. Shippers shall as far as possible see that their goods are so arranged for measurement as not to retard the work of the Measurers.

XVI. The salaries of the Measurers and all other expenses connected with this system of measurement shall be paid by the Chamber of Commerce from the Fee Fund raised under these Rules.

XVII. The Committee of the Chamber of Commerce are hereby authorized to appoint and maintain such staff of Measurers and Assistants, to fix and to pay such salaries to that staff, to fix and to collect such fees, to issue and from time to time to modify such orders, and to do all other such acts and things as may in their opinion be necessary for the proper and economical working of the system in conformity with the general principles herein laid down.

Orders for the Conduct of Measurement of Goods for Tonnage by Public Measurers in the Port of Bombay.

(Issued by the Committee of the Bombay Chamber of Commerce in pursuance of Section XVII of the Rules and Regulations adopted at a Special General Meeting of the Chamber held on the 24th September 1924.)

(1) All Orders hitherto in force for the governance of Measurers are hereby rescinded and the following are substituted with effect from the 1st April 1901.

(2) The Measurers shall be in attendance on the Quays to which they are appointed whenever there are goods to be measured. During the busy season Measurers are expected to be on duty early and late.

(3) All Measurement Fees shall be paid to the Measurement Fee Clerk, and no goods shall be measured without the production of the Customs House Pass bearing the endorsement of the said clerk to the effect that the fees have been paid.

(4) The certificates of measurement issued in conformity with Rule XII shall show—

(*a*) the date, hour and place of measurement;
(*b*) the name of the shipper;
(*c*) the name of the vessel;
(*d*) the port of destination;
(*e*) the number and description of packages;
(*f*) the marks;
(*g*) the measurement;

and in the case of goods shipped by boats—

(*h*) the registered number of the boat;
(*i*) the name of the tindal.

The certificates of measurement shall be issued by the Measurers and shall in every case be signed by the Measurer who measured the goods.

(5) The whole of the packages forming a consignment of not more than thirty-two packages must be deposited on the Quay before measurement is taken.

(6) Consignments of more than thirty-two packages may be presented for measurement in lots of not less than thirty-two packages provided always that each lot, as soon as it is measured, is loaded into boats or shipped and that no unmeasured lot is mixed with a measured lot. Provided also that a final lot of less than thirty-two packages, being the complement of a consignment of more than thirty-two packages, may be measured separately.

(7) Shippers failing to have each lot as soon as measured loaded into boats or shipped; or shippers mixing unmeasured goods with measured goods or permitting them to be mixed; or shippers retarding the work of the Department by failing to move with reasonable promptitude the bales required by the Measurer to be moved for the proper performance of his duties; or shippers attempting to elude these regulations, any such person or their representatives may be required by the Measurer to deposit on the Quay the whole complement of their consign-

ment before measurement is taken. In all cases when such requisition is made, the Measurer making it shall briefly report in writing to the Secretary the name of the shipper against whom the goods in respect of which and the reason for which, it has been made.

(8) A Measurer withholding or recalling a certificate under Section XIII of the Rules and Regulations adopted on the 24th September 1924 shall likewise briefly report to the Secretary in writing.

(9) No goods shall be measured otherwise than on a Quay excepting under the special conditions contemplated under Rule XIV and Order (22).

(10) Each and every package in a lot of packages not of uniform dimensions shall be measured individually. This Rule shall not apply to lots of pressed bales from various presses if the shipper arrange such diverse bales according to their respective dimensions separately on the Quay.

(11) In regard to packages of uniform dimensions the Measurer shall use his judgment as to the proportion of such goods he should measure; but such proportion shall in no case be less than five per centum of each lot. Care must be taken by the Measurers that they are not induced to measure packages that do not fairly represent the average.

(12) In no case shall a shipper's man or men be allowed to put the callipers on a package. A peon of the Chamber holding the callipers may, when standing exactly in front, pull them tight with his hands but not when standing on one side, nor shall he ever be allowed to pull the callipers towards his chest or side or to put his shoulder to them.

(13) In measurement for length, care must be taken that the legs of the callipers touch the ground and that bales when being measured lie in the same position as when in the press. Measurement of bales for depth and breadth shall be taken on the ends, half the number of bales being measured on the marked end and half on the other end.

(14) Measurers when measuring pressed bales shall ascertain whether all are from one press or not, and under Orders (10) and (11) of these Orders shall further ascertain how many bales there are from each press and shall give measurement accordingly and show on the certificate the number of bales to which each measurement relates.

(15) In cases where the shipper shall hand to the Measurer a letter from the owner, agent or master of the vessel authorising the Measurer to accept for measurement and calculation of

average such packages as the said shipper may reserve for such measurement, the Measurer shall measure the packages so reserved and give a certificate on the basis of their measurement, provided that such packages represent not less than five per centum of the entire consignment.

(16) The scale of measurement fees leviable under Rules V and XVII shall be as follows :—

(*a*) On Cotton, Wool, Hemp, Aloe Fibre Twist (white and coloured), Rags, and Waste in pressed bales —pies 6 per bale.

(*b*) On Round Timber or Logs—each annas 8.

(*c*) On Gunny bales from Calcutta, Hide and Skins, Piecegoods, and all goods not included under (*a*) and (*b*), packages of diverse dimension—annas 2 per package.

Subject to a rebate of anna one per package on the Measurer's certifying that the lot measured consisted of not less than 50 packages all of uniform dimensions.

(*d*) On goods of any description measured on board a vessel—annas 2 per package.

(*e*) When the work of the Department admits of such an arrangement, the exclusive services of a Measurer for a day may be secured on payment to the Secretary of a fee of Rs. 10.

(*f*) The attendance of a Measurer on a Sunday or one of the Charter-Party Holidays when the Docks are closed may be secured on application to the Secretary, accompanied by the sum of Rs. 15 which shall be paid by him to the Measurer appointed by him to attend. The fee of Rs. 15 shall cover the services of one Measurer for one ship. If two Measurers are applied for two fees of Rs. 15 must be paid at the time of application. If a Measurer is required to work on more than one steamer a separate fee of Rs. 15 must be paid in respect of each steamer.

(*g*) The attendance of a Measurer for night duty may be secured in the same manner as above.

(17) All disputes as to the applicability of Order 16 (*d*) under Rule XIV shall be referred to the Weather Working Days Committee of the Chamber and the decision of that Committee shall be final. With respect to Order 16 (*d*) a refund of pies 6 per package will be made on declaration of the said Committee, remitted on the invitation of the claimant that the state of the weather during the thirty-six hours of grace allowed had been such as to justify the shipper's delay in bringing the goods alongside.

(18) Refund of measurement fees in full shall be made in respect of a consignment or portion of a consignment shut out after measurement.

(19) In respect of Round Timber and Logs, the measurement to be certified, in accordance with Order 4 (*g*), shall be as follows :—

Length in feet and inches : As found with tape.

Breadth : The mean of two measurements taken with callipers at thickest and thinnest portions.

Depth : The mean of two measurements taken with callipers at thickest and thinnest portions.

The certificate shall also show under Order 4 (*a*) not only the time at which the work of measurement was commenced, but the time at which it was completed. On application to the Secretary supported by evidence of time as here provided refund will be made of the difference between the fee as prescribed under Order (16) (*b*), and a charge of Rupees Two for every hour or part of an hour actually occupied in measurement.

(20) Refund of Measurement Fees shall not be made for any sum less than Three Rupees.

(21) All claims for Refund of Measurement Fees shall be made to the Secretary of the Chamber of Commerce who shall allow or disallow such claims in conformity with these Orders, but no claim for Refund of Measurement Fees shall be allowed unless presented within one month from the date of the sailing of the vessel concerned.

(22) Each Measurer shall keep a Dispute Book and it shall be competent for any shipper or the owner, agent or master of a vessel who disputes the correctness of a measurement given in respect of goods being shipped by him to call for the said Dispute Book, which the Measurer shall produce at once, and to enter therein a claim to have the goods in question or any portion of them remeasured. And on the said shipper or the owner, agent or master of a vessel depositing with the Measurer the sum of annas 2 for each package to be measured, the Measurer shall at once remeasure such package or packages in such a manner that the shipper or the owner, agent or master of a vessel can see whether the measurement is correctly taken and shall give to the shipper or the owner, agent or master of a vessel a certificate of the measurement so found and write thereon the words " Protested Certificate. Fee paid Rs....." and the sum so paid. The Measurer shall immediately thereafter forward to the Secretary a statement of the case together with the amount of the Fee received.

Provided that on any of the stations where more than one Measurer is employed, the Measurer whose measurements are disputed shall, immediately after receiving the protest and fee, call another Measurer who shall make the remeasurement in the manner above laid down, shall issue the " Protested Certificate " and forward the necessary statement to the Secretary.

(23) Should a shipper demand remeasurement under Order 22 and should such remeasurement, in the opinion of the Secretary,

show the original measurement not to have been substantially correct, the extra fee of annas 2 per package shall be refunded to the shipper on demand and the case reported to the Committee.

(24) Every Measurer shall receive a book of Measurement Slips together with indelible pencil and carbon paper for making such slip in quadruplicate. The Measurer will hand to the shippers at the time of measurement the original and third carbon copy; the first carbon copy will be handed to the ship agent's representative on demand and the second carbon copy will be retained for the Chamber's records.

Provided that when goods are shipped in boats for delivery alongside the said first carbon copy, belonging to the ship's agent, shall be handed to the boatman from whom it should be obtained by the ship's officers.

MEMORANDUM OF THE BOMBAY CHAMBER OF COMMERCE.

1. The name of the Association is "THE BOMBAY CHAMBER OF COMMERCE."

2. The Registered Office of the Association will be situated in the Province of Bombay.

3. The objects for which the Association is established are:—

(1) To encourage and promote a friendly feeling and unanimity among commercial men on all subjects involving their common good.

(2) To promote and protect the trade, commerce and manufactures of India and in particular the trade, commerce and manufactures of the Bombay Presidency.

(3) To watch over and protect the general commercial interests of India or any part thereof and the interests of persons engaged in trade, commerce or manufacture in India and in particular in the Bombay Presidency.

(4) To consider all questions connected with trade, commerce and manufactures.

(5) To collect and circulate statistics and other information relating to trade, commerce and manufactures.

(6) To promote or oppose legislative and other measures affecting trade, commerce and manufactures.

(7) To adjust controversies between members of the Association.

(8) To arbitrate in the settlement of disputes arising out of commercial transactions between parties willing or agreeing to abide by the judgment and decision of the Association.

(9) To establish just and equitable principles in trade.

(10) To form a code or codes of practice to simplify and facilitate transactions of business.

(11) To maintain uniformity in rules, regulations and usages of trade.

(12) To communicate with Chambers of Commerce and other mercantile and public bodies throughout the world, and concert and promote measures for the protection of trade, commerce and manufactures, and persons engaged therein.

(13) To acquire by purchase, take on lease or otherwise, lands and buildings and all other property movable and immovable which the Association for the purposes thereof, may from time to time think proper to acquire.

(14) To sell, improve, manage, develop, exchange, lease or let, underlease, sublet, mortgage, dispose of, turn to account or otherwise deal with, all or any part of the property of the Association.

(15) To construct upon any premises acquired for the purposes of Association any building or buildings for the purposes of the Association and to alter, add to, or remove, any building upon such premises.

(16) To borrow or raise any moneys required for the purposes of the Association upon such terms and in such manner and on such securities as may be determined, and in particular by the issue of debentures or debenture stock charged upon all or any of the property of the Association.

(17) To subscribe to, become a member of, and co-operate with any other Association, whether incorporated or not, whose objects are altogether or in part similar to those of this Association, and to procure from and communicate to any such Association such information as may be likely to forward the objects of this Association.

(18) To establish and support, or aid in the establishment and support of associations, institutions, funds or trusts calculated to benefit employees or ex-employees of the Association, or the dependants or connections of such persons, and to grant pensions and allowances

and to make payments towards insurance, and to subscribe, donate or guarantee money for any charitable patriotic or benevolent purposes or for any exhibition or for any public, general or useful object.

(19) To pay out of the funds of the Association the costs, charges and expenses preliminary and incident to the formation, establishment and registration of the Association, or of any other Association, and all expenses, which the Association may lawfully pay, having regard to the provisions of the Indian Companies Act, 1913, of or incident to the raising of money for the Association, including brokerage and commissions for obtaining applications for, or taking, placing, or underwriting debentures or debenture stock.

(20) To give to any person, firm or company the right to apply for or guarantee the subscription of, at any time, any of the debentures, debenture stock, or other securities of the Association at any price of consideration to be agreed upon by the Committee for the time being of the Association and to annex any conditions or stipulations to such right of application as the said Committee may think proper.

(21) To do all such other things as may be necessary for or incidental or conducive to the extension of trade, commerce or manufacture, or the attainment of the above objects or any of them.

4. The income and property of the Association whencesoever derived shall be applied solely towards the promotion of the objects of the Association as set forth in the Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly by way of dividend or bonus or otherwise howsoever by way of profit to the persons who at any time are or have been members of the Association or to any person claiming through any of them. Provided that nothing herein contained shall prevent the payment in good faith of remuneration to any officers or servants of the Association or to any member thereof or other person in return for any service actually rendered to the Association or the payment of interest on money borrowed from any member of the Association.

5. The fourth paragraph of this Memorandum is a condition on which a license is granted by the Government of Bombay to the Association in pursuance of Section 26 of the Indian Companies Act, 1913.

6. The liability of the members is limited but if any member of the Association pays or receives any dividend, bonus or other

profits in contravention of the fourth paragraph of this Memorandum his liability shall be unlimited.

7. Every member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up during the time that he is a member, or within one year afterwards, for payment of the debts and liabilities of the Association contracted before the time at which he ceases to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves such amount as may be required, not exceeding Rs. 50, or, in case of his liability becoming unlimited, such other amount as may be required in pursuance of the last preceding paragraph of this Memorandum.

8. If upon the winding up or dissolution of the Association, there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Association, but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Association, to be determined by the members of the Association at or before the time of dissolution and in default thereof by such Judge of the High Court of Judicature at Bombay as may have or acquire jurisdiction in the matter.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into an Association in pursuance of this Memorandum of Association.

No.	Names, Addresses and Descriptions of Subscribers.
1	L. S. Hudson, Ballard Road, Bombay, Merchant.
2	V. A. Grantham, Forbes Building, Home Street, Bombay, Merchant.
3	H. F. E. Freeland, Agent's Office, Bombay Baroda & Central India Railway.
4	T. E. Cunningham, 16, Bank Street, Bombay, Merchant.
5	C. H. Goodall, 9, Wallace Street, Bombay, Merchant.
6	A. K. Graham, Graham's Building, Parsi Bazar Street, Bombay, Merchant.
7	J. Muller, 1, Rampart Row, Bombay, Merchant.

No.	Names, Addresses and Descriptions of Subscribers.
8	G. C. Richardson, Parel Road, Byculla, Bombay, Merchant.
9	W. P. G. Taggart, Esplanade Road, Bombay, Merchant.

Dated this 21st day of May, 1924.

Witness to the above signatures.

C. B. SAYER,
Secretary,
Bombay Chamber of Commerce.

License Under Section 26 of the Indian Companies Act, 1913.

Whereas the Association calling itself "The Bombay Chamber of Commerce" has proved to the Governor of Bombay in Council that it is formed for the purpose of encouraging and promoting a friendly feeling amongst commercial men on all subjects involving their common good, promoting and protecting the trade, commerce, manufacture and general commercial interests of India, collecting and circulating statistics and (amongst other objects) doing all such things as may be conducive to the extension of trade, commerce and manufacture and whereas it is the intention of the Association to apply its income and property whencesoever derived in promoting its objects and to prohibit the payment of any dividend to the Members of the Association.

The Governor in Council is pleased by this license to direct under the provisions of section 26 of the Indian Companies Act 1913, that the said Association be registered as a Company with limited liability without the addition of the word "Limited" to its name.

The License is granted subject to the conditions and regulations which are contained in the Memorandum of Association of the Bombay Chamber of Commerce as subscribed by the members thereof, a copy of which is hereunto annexed.

Given under the hand of G. E. Chatfield, Esquire, Chief Secretary to the Government of Bombay, Revenue Department, this Sixth day of June, 1924.

(Sd.) G. E. CHATFIELD,
Chief Secretary to the Govt. of Bombay,
Revenue Department.

ARTICLES OF ASSOCIATION OF THE BOMBAY CHAMBER OF COMMERCE.

Adopted by Special Resolution of the Chamber passed at a Special General Meeting held on the 19th day of February 1941.

PRELIMINARY.

1. In these Articles, unless there be something in the subject or context inconsistent therewith—

"The Chamber" means "The Bombay Chamber of Commerce." incorporated under Section 26 of the Indian Companies Act 1913.

"Member" means a member of the Chamber.

"General Meeting" means a general meeting of the Chamber.

"The President" means the President of the Chamber, and unless inconsistent with the context includes a Stipendiary President.

"The Vice-President" means the Vice-President of the Chamber, and unless inconsistent with the context includes a Stipendiary Vice-President.

"The Committee" means the Committee of the Chamber elected in the manner prescribed by these Articles.

"The Secretary" means the Secretary to the Chamber.

2. For the purpose of registration the Chamber is declared to consist of 200 members.

3. The Committee may, when they think fit, register an increase of Members.

4. The Chamber is established for the purposes expressed in the Memorandum of Association.

MEMBERS.

5. Every individual, firm, joint-stock company, or other corporation respectively who or which was a Chamber or an Associate Member of the Chamber on the first day of July 1932, shall *ipso facto* and without election be a member of the Chamber.

6. Merchants, bankers, shipowners, representatives of commercial, railway and insurance companies, brokers, and persons engaged in commerce, agriculture, mining or manufacture and persons engaged in or connected with art, science, literature or law shall be eligible for election as members.

7. Any firm engaged in commerce, agriculture, mining or manufacture and any joint-stock company or other corporation formed for any purpose or object connected with commerce,

agriculture, mining or manufacture, may be admitted as a member of the Chamber and the provisions of these Articles relating to persons being candidates for membership and to persons being members of the Chamber shall, where not excluded by the context, apply to firms, joint-stock companies and other corporations *mutatis mutandis*.

8. Any firm, joint-stock company, or other corporation eligible for election as a member may become a member in their conventional or corporate name.

9. The rights and privileges of membership may, in the case of a firm elected in its conventional name as a member, be exercised by any partner in such firm, or by any person authorised by power-of-attorney or letter of procuration to sign the name of the firm, or to sign such name per procuration, and may, in the case of a joint stock company or other corporation elected a member in its corporate name, be exercised by any responsible officer of such company or corporation.

10. A candidate for election as a member whether an individual, a firm or joint stock company or other corporation shall be proposed by one and seconded by another member. The proposal form shall be sent to the Secretary and shall state the name and address in full and the nature of the business of the candidate, and in the case of a firm, the names of the partners thereof, and in the case of a joint-stock company or other corporation the names of the Directors, Agents, and/or Managers. In case the candidate shall have been previously proposed and not elected, the fact shall be stated and the number of times if more than one.

11. Upon receipt of an application for election as a member as set forth in Article 10 the Secretary shall bring it before the Committee at their next meeting, when, if the candidate be eligible for election, the following provisions shall have effect, namely :—

(*a*) At least 3 days' notice shall be given to all members stating the name of the candidate, together with the name of his proposer and seconder, and the dates of the opening and closing of the ballot. Voting shall be by papers signed by the members and placed in the box provided for the purpose. Votes will be received up to 3 p.m., on the date fixed for the closing of the ballot. No vote by proxy shall be allowed.

(*b*) The ballot shall be open for seven consecutive days (exclusive of Sunday and all holidays under the Negotiable Instruments Act) which shall be fixed by the Committee.

(c) After 3 p.m., on the date fixed for the closing of the ballot, the ballot box shall be opened by the Secretary of the Chamber in the presence of a member of the Committee, nominated by the Committee for this purpose who shall jointly declare in writing the result of the voting.

(d) No ballot shall be valid unless at least one-fourth of the members shall have recorded their votes and one negative vote in every six votes recorded shall exclude.

(e) If the candidate shall be duly elected, his election shall be notified to him by the Secretary, and upon payment of his subscription, but not before, the candidate shall be entitled to the privileges and advantages of the Chamber.

(f) No person, firm, joint stock company or other corporation who or which on ballot has been excluded, shall be again proposed as a member until after the lapse of six months from the date of ballot.

12. The Committee shall decide any question which may arise as to the eligibility or otherwise under these articles of any candidate for admission as a member and their decision shall be final.

13. Any member may withdraw from the Chamber on the 30th June or the 31st December in each year by giving not less than one calendar month's notice in writing to the Secretary of the intention of such member so to do, and upon the expiration of the notice such member shall cease to be a member. In the case of a member resigning on the 30th June of any year the Committee may at their discretion waive the subscription due by the member for the last six months of the year.

14. In the event of any candidate for election as a member being elected and it appearing subsequently at any time to the satisfaction of the Committee that any statement in the proposal form was incorrect in any material particulars, the Committee may cancel the election and the member shall thereupon cease to be a member of the Chamber but may be proposed again.

15. A firm shall cease to be a member upon any change being made in its conventional name if such change shall be occasioned by the admission or retirement or death of a partner. A joint stock company shall cease to be a member upon any change being made in its corporate name, unless such change shall have been effected under the provisions of Section 11 of the Indian Companies Act, Section 19 of the English Companies Act or any similar statutory enactment. A corporation shall cease to be a member upon any change being made in its conventional or corporate name unless in the opinion of the Committee the

change in the conventional or corporate name does not carry with it any change in its constitution or identity other than the change of name.

16. Any individual, firm, company or corporation being a member shall be deemed to be ineligible to continue as, and shall *ipso facto* cease to be a member, if the individual, or, in the case of a firm, any member or members thereof is or are a subject or subjects of a State which is at any time at war with Great Britain or the British Empire, and in the case of a company or corporation, if that company or corporation be incorporated or constituted under the laws of a State which is at any time at war with Great Britain or the British Empire, or if the Central Government has declared or shall declare that company or corporation an enemy firm or has ordered or shall order that all its property shall vest in the Custodian of Enemy Property.

17. A member being an individual shall cease to be a member if such member shall be declared an insolvent.

18. A member being a firm shall cease to be a member of the Chamber if the firm shall be adjudicated insolvent. A member being a company or corporation shall cease to be a member if an effective resolution shall be passed or an order made by a competent Court for the winding up of the company or corporation.

19. A majority of three-fourths of the members present and entitled to vote and voting at an annual or special general meeting of the Chamber may by resolution expel any member. Any such person, firm, company or corporation shall, from the passing of such resolution, cease to be a member of the Chamber.

20. A firm, joint stock company or other corporation which shall be expelled under the last preceding article shall be eligible for re-election after the expiry of one year from the date of expulsion provided not less than three members in addition to the proposer and seconder concur in the proposal for re-election.

21. An individual who shall be expelled under Article 19 shall not be eligible for re-election.

22. The annual subscription of each member shall be Rs. 360 and shall, unless and until otherwise directed by the Committee, be payable half-yearly on the 1st January and 1st July respectively. On election a member shall in respect of the half year in which he has been elected pay such subscription only as represents a sum calculated at the rate of Rs. 30 a month commencing from the 1st day of the month in which he is elected down to the 30th June or the 31st December then next as the case may be.

23. Any member whose subscription shall be three months in arrear, and who shall not pay such arrears within one month after written notice calling for such payment, shall cease to be a member and the name of such defaulting member shall be removed by the Committee from the list of members. A member whose subscription is three months in arrear may not vote, and if he votes his vote shall not be counted.

24. Any member who shall by any means cease to be a member shall nevertheless remain liable for and shall pay to the Chamber all moneys which at the time of such member ceasing to be a member may be due from such member to the Chamber.

Honorary Members.

25. Officials and others indirectly connected with the trade, commerce or manufactures of India or who may have rendered distinguished service to the interests represented by the Chamber may be elected by the Committee Honorary Members of the Chamber.

26. Strangers visiting the Presidency may be admitted by the Committee as Honorary Members for a period not exceeding two months on the proposal of any member whether a member of the Committee or not.

27. Honorary Members shall be entitled to receive the last published report of the Committee and to attend and speak but not to vote at any general meeting held during their membership and may upon the invitation of the President, Vice-President or Chairman, as the case may be, attend under the like conditions any meeting of the Committee or of any departmental committee or sub-committee.

28. Honorary Members shall not be required to subscribe to the funds of the Chamber.

Register of Members.

29. A list or register of members shall be kept in which shall be set forth the names, occupations, nationalities (in the case of a company or corporation the place of registration) and address of the members, for the time-being, and in which all changes in membership from time to time taking place shall be recorded. The Committee shall at any time be empowered to call upon any member being a firm to declare the nationalities of the partners for the time being constituting the firm and being a company or corporation of the Directors, Managers and/or Agents for the time being thereof.

OFFICERS.

30. There shall be the following officers of the Chamber, namely, a President or Stipendiary President, Vice-President or Stipendiary Vice-President and until otherwise determined by a General Meeting ten ordinary members of Committee, a Secretary, an Assistant Secretary and an Auditor. The officers of the Chamber, with the exception of the Secretary, Assistant Secretary and Auditor and subject to the provisions of Article 32 shall act without remuneration.

31. The Committee shall consist of the President or the Stipendiary President, the Vice-President or the Stipendiary Vice-President and until otherwise determined by a General Meeting the ten ordinary members of the Committee before mentioned who are hereinafter referred to as "the ordinary members of the Committee."

32. The Committee shall have power from time to time to appoint at such remuneration and for such periods and upon such terms and conditions generally as the Committee may approve and (subject to any contract) to remove a Stipendiary President or Vice-President and any such Stipendiary President or Vice-President shall not be liable to retire at the Annual General Meeting but shall hold office for such period and upon and subject to such terms and conditions as may be expressed in the Resolution of the Committee or any agreement relating to his appointment and accordingly none of the provisions of these Articles relating to the retirement or election of the President or Vice-President shall (in the absence of provision to the contrary in any such Resolution or agreement) apply to a Stipendiary President or Vice-President. A Stipendiary President or Vice-President so long as he continues in office shall be the President or Vice-President of the Chamber to the exclusion of any other person, and shall be deemed to be for all purposes a member of the Chamber but shall not be liable to pay any annual subscription.

33. The President and the Vice-President (not being a Stipendiary President or Vice-President) and the Ordinary Members of the Committee shall retire at each Annual General Meeting.

34. Any member, any partner in or person holding a power-of-attorney or letter of procuration from a firm registered as a member in their conventional name, and any person being a responsible officer of any joint-stock company or other corporation registered as a member in its corporate name, shall be eligible for election as an officer of the Chamber.

35. During the tenure of office as President, Vice-President, or an ordinary member of the Committee by any partner in or person holding a power-of-attorney or letter of procuration from

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a firm registered as a member in their conventional name or during the tenure of office as President, Vice-President, or as an ordinary member of the Committee by any person being a responsible officer of a joint-stock company or other corporation registered as a member in its corporate name, no other partner or person representing the same firm, company or corporation as the case may be. shall be eligible for election or nomination as a member of the Committee.

ELECTION OF COMMITTEE.

36. (*a*) On or about the 1st December in each year the Secretary shall issue a notice to all members calling upon them to submit within fourteen days the names of any member or duly qualified person as hereinbefore defined who may be willing to accept office if elected as President for the ensuing year. A retiring President shall be eligible for re-election.

(*b*) If the name of only one gentleman is submitted that gentleman shall be the President for the ensuing year.

(*c*) If the names of more gentlemen than one are submitted then before the 31st December in each year the Secretary shall issue a notice to all members embodying the names thus submitted and shall in such notice state the dates fixed for the opening and closing of the ballot for election of the President.

(*d*) Thereafter a ballot shall be held for the election of the President in accordance with the provisions relating to ballots hereinafter set out and the gentleman who receives the greatest number of votes at such ballot shall be the President for the ensuing year.

(*e*) The name of the gentleman to be President for the ensuing year shall be made known to all members within seven days from the date of the closing of the ballot and he shall take office on the day following the day of the next ensuing Annual General Meeting.

37. As soon as conveniently may be after the result of the election of the President has been notified to the members, the Secretary shall issue a notice to all members calling upon them to submit within fourteen days the names of any members or duly qualified persons as hereinbefore defined who may be willing to accept office if elected as Vice-President for the following year. A retiring Vice-President shall be eligible for re-election. A gentleman who has previously been a candidate for election as President but has not been elected may be a candidate for election as Vice-President. Thereafter the headings (*b*), (*c*), (*d*) and (*e*) in the last preceding Article shall be applied as if the same were repeated at length in this Article with the substitution throughout of the words "Vice-President" for the word "President" wherever the same occurs.

38. If there is an equality of votes between two or more candidates at the head of a ballot for election as President or Vice-President respectively a fresh ballot shall be held.

39. The following rules shall be observed with respect to ballots for the election of President or Vice-President, namely :—

(*a*) Seven days' interval exclusive of Sunday and any holiday under the Negotiable Instruments Act shall be allowed between the opening and closing of the ballot.

(*b*) Votes shall be received up to 3 p.m. on the day fixed for the closing of the ballot.

(*c*) Voting shall be by paper signed by the members and placed in a box provided for the purpose. No vote by proxy shall be allowed.

(*d*) After 3 p.m. on the day fixed for the closing of the ballot in each case the ballot box shall be opened by the Secretary in the presence of a Scrutineer appointed by the Committee and the Scrutineer shall count the votes.

(*e*) The Scrutineer shall prepare and sign and hand to the Committee a list of the result of the ballot showing the names of the candidates with the votes cast in favour of each, setting out the names in order beginning with the name of the candidate who has received the greatest number of votes.

(*f*) The decision of the Scrutineer as to the validity of any vote shall be final.

(*g*) The death or withdrawal of a candidate before or during the ballot shall not affect the validity of any votes previously cast or entitle a member to cast a fresh vote.

40. The members of the Chamber present at the Annual General Meeting at which the ordinary members of the Committee retire may fill up the vacated offices other than those of the ordinary member nominated under Article 43 hereof, by electing persons thereto. A retiring ordinary member of the Committee shall be eligible for re-election. If at any meeting at which an election of an ordinary member of the Committee ought to take place the places of any of such vacating members are not filled up the meeting shall stand adjourned to the same day in the next week at the same time and place, and if at the adjourned meeting the places of any of such vacating members are not filled up, such vacating members or such of them as have not had their places filled up shall be deemed to have been re-elected at the adjourned meeting.

41. Not later than seven days before the date on which the notice of the next Annual General Meeting is to be sent out, the Committee in conjunction with the gentlemen if any who have been elected as President and Vice-President for the ensuing year shall select the names of eight members or duly qualified persons who shall be willing to serve if elected as ordinary members of the Committee for the ensuing year. The eight gentlemen whose names are so selected shall be deemed to have been duly proposed for election at the Annual General Meeting as ordinary members of the Committee and the notice of the meeting shall so state and shall set out their names in alphabetical order.

42. At the Annual General Meeting a vote shall be taken first by a show of hands and then by a poll if duly demanded for or against the election as an ordinary member of the Committee of each of the said eight gentlemen whose names are set out in the notice in the order in which their names appear in the notice and in priority to any vote in regard to any other candidature. When eight gentlemen have been elected in such manner as aforesaid no further vote shall be taken.

43. Not later than thirty days after the date of the Annual General Meeting in each year the Committee shall nominate two other members or duly qualified persons to be ordinary members of the Committee and the gentlemen so nominated shall be ordinary members of the Committee for the year in question and the members shall be notified of the nomination.

44. The new Committee shall take office on the day succeeding the day of the Annual General Meeting and shall continue to act until the close of the day on which the next succeeding Annual General Meeting shall be held.

45. If the President, Vice-President or any ordinary member of the Committee shall be absent from Bombay for a period of two consecutive months, the Committee may declare his office vacant, and he shall thereupon cease to be an officer of the Chamber.

46. If any vacancy shall occur in any year in the office of the President or Vice-President during the interval between two Annual General Meetings the Committee may if such vacancy shall occur within the period of eight weeks prior to the 15th April or to the date on which it has been decided to hold the Annual General Meeting if such date be earlier than the 15th April, and they shall if the vacancy shall not occur within the earlier of the abovementioned periods arrange for an election in the manner laid down above of a President or Vice-President as the case may be and the gentleman so elected shall hold office until the next ensuing Annual General Meeting.

47. The Committee shall have power at any time and from time to time to appoint any qualified person to be a member of the Committee to fill up a casual vacancy or as an addition to the Committee.

PRESIDENT.

48. The President shall preside at all meetings of the Committee, at all General Meetings and over all deputations. He shall preside at the Annual General Meeting and address the members on such subjects as he may deem proper to bring to their notice, but such address shall not be taken to represent the views of the Chamber or of the Committee unless such representation is expressly indicated.

49. The President shall also at any time when he shall deem proper communicate to the Chamber or to the Committee such matters, and shall make such suggestions as may in his opinion tend to promote the prosperity and welfare and increase the usefulness of the Chamber, and shall perform such other duties as may be incidental to the office of President.

VICE-PRESIDENT.

50. The Vice-President in the absence of the President shall have the powers and perform the duties of the President.

COMMITTEE.

51. The Committee shall meet at such times as they may deem advisable and make such regulations as they think proper as to the summoning and holding of meetings of the Committee and for the transaction of business at such meetings and the record of their proceedings shall be open to the inspection of the members subject to such regulations as the Committee may from time to time deem expedient.

52. The President, or in his absence the Vice-President shall be ex-officio Chairman of the Committee. In the absence of both President and Vice-President the Committee shall elect their own Chairman. The Chairman shall have an original and in case of equality a casting vote.

53. Three members of the Committee shall form a quorum for the transaction of business.

54. A yearly report of the proceedings of the Committee shall be prepared, printed and circulated for the information of the members of the Chamber at least fourteen days previous to the Annual General Meeting. Such report shall be submitted to the Annual General Meeting for confirmation and shall be confirmed or otherwise dealt with or disposed of as the meeting shall determine.

55. The management of the business and funds of the Chamber shall be vested in the Committee who, in addition to the powers by these Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Chamber and are not hereby or by law expressly directed or required to be exercised or done by the Chamber in General Meeting.

56. Without prejudice to the general powers conferred by Article 55 hereof the Committee shall have power—

(*a*) To appoint any departmental committees or sub-committees and such departmental committees or sub-committees may be permanent or temporary or for special purpose as the Committee may determine.

(*b*) To delegate, subject to such conditions as they think fit, any of their powers to departmental committees or sub-committees, and to make, vary and repeal by-laws or rules for the regulation of the proceedings of departmental committees or sub-committees.

(*c*) To make, vary and repeal bye-laws or rules for the regulation of the business of the Chamber, of the officers or servants or of the members of the Chamber, or of any department or section of the Chamber.

(*d*) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Chamber.

(*e*) From time to time to appoint, and at their pleasure to remove or suspend, such secretaries, officers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and to fix their salaries, wages, commission or emoluments and to require security in such instances and to such amount as they may think fit.

(*f*) To purchase all articles and things which may from time to time be required by the Chamber and to pay for the same in cash or otherwise as may be deemed expedient.

(*g*) To purchase, take on lease or otherwise acquire any land, building, houses, or other immovable property in the Presidency of Bombay as may be required or deemed expedient for the purposes of the Chamber.

(*h*) To undertake on behalf of the Chamber the payment of all rent and the performance of all covenants, conditions and agreements contained in or reserved by any deed or contract to which the Chamber may be a party,

or which may have been assigned to the Chamber, to insure and keep insured, if deemed expedient, all or any of the buildings, articles or other property of the Chamber, to insure against the consequential loss through fire, of the Chamber's revenue and/or standing charges, to execute all deeds, agreements, contracts, receipts and other documents that may be necessary or expedient for the purposes of the Chamber.

(*i*) To commence, institute, prosecute and defend all such actions and suits as the Committee may deem necessary or expedient on the part of the Chamber and to compromise or submit to arbitration the same actions and suits as the Committee in their discretion may think fit.

(*j*) To make and give receipts, and other discharges for money payable to the Chamber and for the claims and demands of the Chamber.

(*k*) To determine the manner in which bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by or on behalf of the Chamber.

(l) To execute in the name and on behalf of the Chamber in favour of any member of the Committee or other person who may incur or be about to incur any personal liability for the benefit of the Chamber, such mortgages of the Chamber's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants, and provisions, as shall be agreed upon.

(*m*) To establish and support or aid in the establishment and support of associations, institutions, funds or trusts, calculated to benefit employees or ex-employees of the Chamber or the dependants or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe, donate or guarantee money for any charitable, patriotic or benevolent purpose or for any exhibition or for any public, general or useful object.

(*n*) To invest and deal with any of the moneys of the Chamber not immediately required for the purpose thereof upon such securities and in such manner as they may think fit and from time to time to vary or realise such investments.

(*o*) From time to time at their discretion to raise or borrow any sum or sums of money for the purposes of the

Chamber and to secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or debenture stock of the Chamber, charged upon the property and assets of the Chamber (both present and future.)

(*p*) To enter into arrangements upon such terms and subject to such conditions as the Committee may deem desirable for working in connection with any Association organized for the protection or better development of any branch of trade, commerce or manufacture in Bombay or with like objects, that may apply to be allowed to work in connection with the Chamber, provided the objects for which such Association is or shall be formed are not inconsistent with the objects of the Chamber as defined in its Memorandum of Association.

(*q*) To make such bye-laws as the Committeee may consider expedient for the regulation of the joint working of the business of any Association connected with the Chamber, or for the purpose of defining the terms and conditions of the joint working of the business of such Association or as may from time to time be agreed upon between such Association and the Committee.

SECRETARY.

57. The Secretary shall devote himself entirely to the business and affairs of the Chamber except in cases where he has received the special permission of the Committee. He shall have charge of all correspondence and shall keep an account of the funds of the Chamber and of funds connected with or in any way controlled by the Chamber. He shall keep accurate minutes of all meetings of the Chamber and of the Committee, of the departmental committees and sub-committees and of all Associations connected with the Chamber. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Chamber, He shall give notice of all meetings of the Chamber, of the Committee, of the departmental committees and sub-committees of the Chamber and of all Associations working in connection with the Chamber. He shall duly notify members of their election, collect all dues from members of the Chamber or from any Committee or any Association working in connection with the Chamber. He shall prepare the Annual Report of the Chamber under the guidance of the Committee and the reports of all Committees and of all Associations connected with the Chamber and generally shall perform all such duties as are incidental to his office.

Assistant Secretary.

58. The Assistant Secretary, in the absence of the Secretary, shall perform all or any of the duties of the Secretary and all such of the duties of the Secretary as may be assigned to him from time to time by the Secretary with the sanction of the Committee.

General Meetings.

59. General Meetings of the Chamber shall be held at least once in every year and not more than fifteen months after the holding of the last preceding General Meeting and at such time and place as may be determined by the Committee. The above-mentioned General Meetings shall be called Annual General Meetings; all other General Meetings shall be called Special General Meetings.

60. The Committee may, whenever they think fit, and they shall upon a requisition made in writing by not less than any ten members of the Chamber, forthwith proceed to convene a Special General Meeting. Any requisition made by the members shall express the objects of the meeting proposed to be called and shall be left at the Registered Office of the Chamber. It must be signed by the requisitionists and may consist of several documents in like form, each signed by one or more requisitionists.

61. Upon the deposit of such requisition, the Committee shall proceed to convene a Special General Meeting to be held within three months from the date of the deposit of the requisition. If they do not proceed to convene the same within twenty-one days after the deposit of the requisition the requisitionists, or a majority of them, may themselves convene a Special General Meeting to be held within three months from the date of the deposit of the requisition on such day and at such place as the persons convening the same may determine. Any meeting convened under this Article by the requisitionists shall be convened in the same manner or as nearly as possible as that in which meetings are to be convened by the Committee.

62. Save as hereinafter mentioned not less than fourteen days' notice to the members specifying the place, day and hour of meeting and in case of special business the general nature of such business shall be given either by advertisement or by notice sent by post or otherwise served as hereinafter provided.

63. The accidental omission to give any such notice to any member shall not invalidate any resolution passed at any such meeting.

PROCEEDINGS OF GENERAL MEETINGS.

64. The business of any Annual General Meeting shall be to receive and consider the income and expenditure account, the balance sheet and the reports of the Committee and of the Auditor, to elect six ordinary members of the Committee, to appoint Auditors and to transact any other business which, under these presents, ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting and all business transacted at a Special General Meeting shall be deemed special.

65. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business.

66. Three members personally present shall be a quorum for a General Meeting for the choice of a Chairman for the meeting in the absence of the President and Vice-President of the Chamber and of all the elected members of the Committee, or in default of any such member being willing to act, the consideration of the accounts and the report of the Committee and Auditor and for the adjournment of the meeting. Except for these purposes, the quorum of a General Meeting shall be nine members present personally and entitled to vote.

67. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members shall be dissolved, in any other case it shall stand adjourned to such day in the next week and at such time and place as the Committee may appoint.

68. At any adjourned meeting, the members present and entitled to vote whatever their number, shall form a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place if a quorum had been present.

69. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or shall decline to take, or shall retire from, the chair the elected members of the Committee present shall choose some one of their number to be the Chairman of the meeting and if no such member of the Committee is present, or if all such members of the Committee present decline to take the chair, the members shall choose some one of their number to be Chairman.

70. The Chairman may, with the consent of the meeting, adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting

other than the business left unfinished at the meeting from which the adjournment took place.

71. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Clause (c) of sub-section (1) of Section 79 of the Indian Companies Act, 1913, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by particular majority, or lost, and an entry to that effect in the book of the proceedings of the Chamber shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

72. If a poll is duly demanded it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

73. In the case of an equality of votes, whether on a show of hands or on a poll the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

74. The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Chamber not less than 72 hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument shall not be treated as valid.

75. Thirty days' notice at least, specifying the place, the day and hour of the meeting and the nature of the special business shall be given of any Special General Meeting convened to consider, revise or amend the bye-laws or rules relating to Arbitrations, or to the Measurement Department of the Chamber or to revise or amend the Chamber's Schedule of Commission Charges or the Chamber's Tonnage Schedule for the Port of Bombay.

76. Ninety days' notice at the least, specifying the place, the day and the hour of meeting and the nature of the special business shall be given of any Special General Meeting convened to revise, alter or amend the regulations of the Chamber as contained in these Articles of Association.

Votes of Members.

77. Every member shall have one vote whether on a show of hands or on a poll.

78. Any number of representatives of a firm registered as a member in its conventional name or of any joint stock company or other corporation registered as a member in its corporate name may attend any General Meeting but only one of such representatives shall be entitled to vote.

MINUTES.

79. The Committee shall cause minutes to be duly entered in books provided for the purpose—

(*a*) Of all appointments of officers;

(*b*) Of the names of the members of the Committee present at each meeting of the Committee and of any sub-committee;

(*c*) Of all orders made by the Committee and any sub-committee;

(*d*) Of all resolutions and proceedings of General Meetings and of meetings of the Committee and any sub-committee;

and any such minutes of any meetings of the Committee or of any sub-committee of the Chamber if purporting to be signed by the Chairman of such meeting or Chairman of the next succeeding meeting shall be receivable as *prima facie* evidence of the matters stated in such minutes.

ACCOUNTS.

80. The Committee shall cause proper books of account to be kept of the transactions of the Chamber and of the assets, and liabilities thereof, which books of account shall be kept at the Registered Office of the Chamber or at such place or places, and in the charge of such person or persons as the Committee may from time to time direct.

81. The Committee shall from time to time determine whether and to what extent and at what times and places under what conditions and regulations the accounts and books of the Chamber or any of them shall be open to the inspection of the members (not being members of the Committee) and no member (not being a member of the Committee) shall have any right of inspecting any account or book or document of the Chamber except as conferred by law or authorised by the Committee or by the Chamber in General Meeting.

82. At the Annual General Meeting in each year the Committee shall lay before the Chamber an income and expenditure account and balance sheet containing a summary of the property and liabilities of the Chamber made up to a date not more than

six months before the meeting from the time when the last preceding account and balance sheet were made up, or in the case of the first account and balance sheet from the incorporation of the Chamber.

83. Every such balance sheet shall be accompanied by a report of the Committee as to the state and condition of the Chamber and as to the amounts (if any) which they may have resolved to carry to Reserve Fund or any Sinking Fund and to depreciation according to the provisions in that behalf hereinbefore contained and the statement, report, and balance sheet shall be signed by at least two members of the Committee and countersigned by the Secretary.

84. The income and expenditure account shall in addition to the matters referred to in sub-section (3) of section 132 of the Indian Companies Act, 1913, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting, and, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

85. A printed copy of such account and a balance sheet and report of the Committee and Auditors shall at least fourteen days previous to the meeting, be served on every member of the Chamber in the manner in which notices are hereinafter directed to be served and a copy shall also be deposited at the Registered Office of the Chamber for the inspection of members during a period of at least fourteen days before the meeting.

AUDIT.

86. Once at least in every year the accounts of the Chamber shall be examined and the correctness of the Income and Expenditure Account and balance sheet ascertained by one or more Auditor or Auditors.

87. The Chamber at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting and the following provisions shall have effect, that is to say :—

(*a*) If an appointment of Auditor is not made at an Annual General Meeting, the Government of Bombay may, on

the application of any member of the Chamber, appoint an Auditor for the current year and fix the remuneration to be paid to him by the Chamber for his services.

(*b*) A member of the Committee or other officer of the Chamber and a partner of such member or officer and any person in the employment of such member or officer shall not be capable of being appointed an Auditor of the Chamber.

(*c*) A person other than a retiring Auditor shall not be capable of being appointed Auditor at an Annual General Meeting unless notice of intention to nominate such person to the office of Auditor shall have been given by a member to the Secretary not less than fourteen days before the meeting and the Secretary shall send a copy of any such notice thereof to the members either by advertisement or in any other manner allowed by the Articles not less than seven days before the meeting.

Provided that if after notice of the intention to nominate an Auditor has been so given, an Annual General Meeting is called for a date fourteen days or less after the notice has been given, the notice though not given within the time required by this provision shall be deemed to have been properly given for the purpose thereof, and the notice to be sent or given by the Chamber may, instead of being sent or given within the time required by this provision be sent or given at the same time as the notice of the Annual General Meeting.

(*d*) The first Auditors of the Chamber may be appointed by the Committee, and if so appointed shall hold office until the first Annual General Meeting unless previously removed by a resolution of the members in General Meeting in which case the members at that meeting may appoint Auditors.

(*e*) The Committee may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act.

88. The remuneration of the Auditors shall be fixed by the Chamber in General Meeting except that the remuneration of any Auditor appointed to fill any casual vacancy may be fixed by the Committee.

89. Every Auditor of the Chamber shall have a right of access at all times to the books and accounts and vouchers of the Chamber and shall be entitled to require from the Committee and

Officers of the Chamber such information and explanations as may be necessary for the performance of the duties of the Auditors.

90. The Auditors shall make a report to the members on the accounts examined by them, and on every balance sheet laid before the Chamber in General Meeting during their tenure of office and in every such report shall state—

(*a*) Whether or not they have obtained all the information and explanation they have required, and

(*b*) Whether, in their opinion, the balance sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the Chamber's affairs according to the best of their information and the explanations given to them and as shown by the books of the Chamber.

91. The report of the Auditors shall be attached to the balance sheet or there shall be inserted at the foot of the balance sheet a reference to the report and the report shall be read before the Chamber in General Meeting.

92. Every account of the Committee when audited and approved by a General Meeting, shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and thenceforth shall be conclusive.

NOTICES.

93. A notice may be given by the Chamber to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in British India) to the address, if any, within British India supplied by him to the Chamber for the giving of notices to him.

94. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

95. If a member has no registered address in British India, and has not supplied to the Chamber an address within British India for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the Chamber shall be deemed to be duly given to him on the day on which the advertisement appears.

96. Notice of every General Meeting shall be given in some manner hereinbefore authorised to every member of the Chamber except those members who (having no registered address within British India) have not supplied to the Chamber an address within British India for the giving of notices to them.

SEAL.

97. The Committee shall forthwith provide a common seal for the purpose of the Chamber and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and shall provide for the safe custody of the seal for the time being and it shall not be used except by the authority of the Committee and in the presence of the President or Vice-President of the Chamber.

98. Deed bonds and other contracts under seal made on behalf of the Chamber sealed with the common seal of the Chamber and signed by the President or Vice-President and countersigned by the Secretary or the person acting as Secretary shall be deemed to be duly executed.

LIST OF ACTS AFFECTING COMMERCE AND INDUSTRY PASSED BY THE INDIAN LEGISLATURE DURING THE YEAR 1946.

CENTRAL LEGISLATURE.

I. Workmen's Compensation (Amendment).
II. Indian Mines (Amendment).
V. Professions Tax Limitation (Amendment).
VI. Insurance (Amendment).
VII. Indian Finance.
VIII. Indian Income-tax (Amendment).
IX. Indian Oilseeds Committee.
X. Factories (Amendment).
XI. Provident Funds (Amendment).
XII. Trade Marks (Amendment).
XIII. Indian Companies (Amendment).
XIV. Railway Companies (Substitution of Parties in Civil Proceedings).
XV. Indian Coconut Committee (Amendment).
XVI. Protective Duties Continuation.
XVII. Protective Duties.
XX. Industrial Employment (Standing Orders).

XXI. Merchant Seamen (Litigation).
XXII. Mica Mines Labour Welfare Fund.
XXIII. Reserve Bank of India (Amendment).
XXIV. Essential Supplies (Temporary Powers).
XXVII. Banking Companies (Restriction of Branches).
XXIX. Indian Tea Control (Amendment).
XXX. Registration of Transferred Companies (Amendment).
XXXI. Foreigners.

BOMBAY PROVINCIAL LEGISLATURE.

I. City of Bombay Municipal (Amendment).
II. Bombay Agricultural Debtors Relief (Amendment).
IV. Bombay Rent Restriction and Bombay Rents, Hotel Rates and Lodging House Rates (Control) (Amendment).
V. Bombay Sales Tax.
VI. Bombay Sales of Motor Spirit: Taxation.
VIII. Bombay Rent Restriction (Amendment).
IX. Bombay Finance (Amendment).
XIV. Bombay Town Planning (Amendment).
XVII. Bombay Sales Tax (Amendment).
XVIII. Indian Electricity (Bombay Amendment).
XIX. Bombay Electricity (Surcharge).
XX. Bombay Electricity (Emergency Powers).
XXI. Bombay Special Tribunal (Continuance).
XXII. Bombay Essential Commodities and Cattle (Control).
XXVI. Bombay Tenancy (Amendment).
XXVII. Bombay Cotton (Statistics).
XXX. Code of Criminal Procedure (Bombay Amendment).

GOVERNMENT OF INDIA ORDINANCES.

I. Repealing.
II. Bank Notes (Declaration of Holdings).
III. High Denomination Bank Notes (Demonetisation).
IV. Banking Companies (Inspection).
V. National Service (European British Subjects) Termination of Calling up.
IX. National Service (Technical Personnel).
X. Termination of War (Definition).
XI. Defence of India (Amendment).
XVII. Bearer Promissory Notes (Prohibition of Issue).
XVIII. Essential Supplies (Temporary Powers).

XIX. Requisitioned Land (Continuance of Powers).
XX. Emergency Provisions (Continuance).
XXI. Foreigners Act (Amendment).
XXV. Sugar (Temporary Excise Duty).
XXVI. Indian Tariff Act (Amendment).
XXVII. Indian Tariff Act (Second Amendment).

BOMBAY ORDINANCES.

I. Bombay Home Guards.
II. Bombay Security Measures.

WEATHER WORKING DAYS.

The following days during the monsoon months of 1946 were declared to be half or non-weather working days for vessels in the Docks :—

Tuesday, 11th June 1946	Half weather working day.
Wednesday, 12th June 1946	Half weather working day.
Thursday, 4th July 1946	Half weather working day.
Friday, 5th July 1946	Half weather working day.
Friday, 19th July 1946	Half weather working day.
Friday, 2nd August 1946	Half weather working day.
Saturday, 3rd August 1946	Non-weather working day
Monday, 18th November 1946	Non-weather working day.

The Deputy Conservator of the Port, in consultation with the Harbour Master and a representative of the Chamber, decided that the following days were half or non-weather working days for vessels working in the stream :—

Tuesday, 11th June 1946	Non-weather working day.
Wednesday, 12th June 1946	Half weather working day.
Friday, 21st June 1946	Half weather working day.
Thursday, 4th July 1946	Half weather working day.
Friday, 5th July 1946	Half weather working day.
Saturday, 6th July 1946	Half weather working day.
Friday, 19th July 1946.	Half weather working day.
Saturday, 20th July 1946	Half weather working day.
Monday, 29th July 1946	Half weather working day.
Friday, 2nd August 1946	Half weather working day.
Saturday, 3rd August 1946	Half weather working day.
Wednesday, 7th August 1946	Half weather working day.
Friday, 16th August 1946	Half weather working day.
Monday, 9th September 1946	Non-weather working day.
Monday, 18th November 1946	Non-weather working day.
Monday, 9th December 1946	Non-weather working day.

RESERVE BANK OF INDIA

Balance Sheet as at 27th December 1946

ISSUE DEPARTMENT

LIABILITIES.	Rs.	ASSETS.	Rs.
Notes held in the Banking Department ..	34,09,16,000	Gold Coin and Bullion—	
		(*a*) Held in India	44,41,45,000
		(*b*) Held outside India	....
Notes in Circulation	12,24,56,75,000	Sterling Securities	1,135,32,89,000
		Rupee Coin	21,07,43,000
		Government of India Rupee Securities	57,84,14,000
		Internal Bills of Exchange and other Commercial Paper	....
Total Rs.	1,258,65,91,000	Total Rs.	1,258,65,91,000

Statement of Affairs of the Reserve Bank of India, Banking Department, as on 27th December 1946.

LIABILITIES.	Rs.	ASSETS.	Rs.
Capital Paid up	5,00,00,000	Notes	34,09,16,000
Reserve Fund	5,00,00,000	Rupee Coin	24,56,000
Deposits :—		Subsidiary Coin	1,41,000
(a) Government		Bills Purchased and Discounted :—	
(1) Central Government of India	457,61,94,000	(a) Internal	....
(2) Government of Burma ..	51,52,000	(b) External	....
(3) Other Government Accounts	17,48,72,000	(c) Government Treasury Bills..	39,98,000
(b) Banks	71,84,33,000	Balances held abroad*	487,42,14,000
(c) Others	17,08,16,000	Loans and Advances to Governments	9,00,000
Bills Payable	4,80,28,000	Other Loans and Advances	36,20,000
Other Liabilities	10,11,26,000	Investments	40,41,46,000
		Other Assets	26,42,30,000
Total Rs. ..	589,46,21,000	Total Rs. ..	589,46,21,000

* Includes cash and short-term securities.

COMPARATIVE BANKING STATISTICS.

(In crores of rupees.)

	1st Sept. 1939	27th Dec. 1946	A year ago.
Reserve Bank			
ISSUE DEPARTMENT—			
Notes in Circulation	172.44	1,224.56	1,210.89
Notes held in Banking Department ..	35.05	34.09	11.26
Sterling Securities	39.50	1,135.32	1,105.33
Rupee Securities	37.39	57.84	57.84
BANKING DEPARTMENT—			
Central Government Deposits	14.89	457.61	480.82
Balances held Abroad	10.08	487.42	562.33
Scheduled Banks			
Demand Liabilities	134.37	730.15	672.57
Time Liabilities	102.24	330.95	280.26
Balances with Reserve Bank	25.28	69.00	79.44
Excess over Statutory Limit	16.52	25.89	39.20
Advances	101.52	442.30	302.89
Bills	3.57	22.87	24.30
Cash	6.71	48.26	42.39
Imperial Bank			
Deposits	87.76	266.87	254.73
Investments	51.99	154.45	155.36
Advances	30.37	87.83	68.62
Cash	14.69	36.19	42.19

Total Imports of Treasure on Private Account from Foreign Countries and Indian Ports into Bombay by Sea and Air from 1st April 1946 to 31st March 1947.

From.	GOLD.			SILVER.			
		Coin.			Coin.		
	Bullion.	Sovereigns and Half Sovereigns.	Other Coin.	Bullion.	Dollars.	Govt. of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	80,264	—	—	11,66,94,137	7,61,486	—	5,93,295
Continent of Europe ..	2,90,12,358	—	4,66,711	72,70,903	—	—	53,56,971
America	1,97,37,990	—	24,59,126	44,30,438	—	—	—
Egypt	62,37,645	—	—	8,32,234	—	—	11,93,951
Aden	1,66,828	—	—	1,84,765	—	2,06,000	1,49,864
China	—	—	65,54,240	2,87,91,197	31,97,583	—	1,23,84,257
Straits Settlements ..	—	—	—	85,229	—	—	—
Iran	—	—	—	7,17,422	—	—	54,79,921
Iraq	9,67,842	—	—	4,93,992	74,299	—	63,19,357
Arabia & Red Sea Ports ..	92,58,909	—	68,987	2,55,168	6,03,442	6,30,830	123,00,968
Burma	—	—	—	21,242	—	—	—
Africa	3,83,657	—	—	—	—	—	67,840
Other Foreign Countries ..	17,67,439	—	17,84,326	41,533	—	—	—
Indian Ports	—	—	—	9,872	—	—	39,07,066
Total ..	6,76,12,932	—	1,13,33,390	15,98,28,132	46,36,810	8,36,830	4,77,53,490

Total Exports of Treasure on Private Account to Foreign Countries and Indian Ports from Bombay by Sea and Air from 1st April 1946 to 31st March 1947.

To	Gold.			Silver.			
		Coin.			Coin.		
	Bullion.	Sovereigns and Half Sovereigns.	Other Coin.	Bullion.	Dollars.	Govt. of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Africa	10,560	—	—	—	—		2,738
Ceylon	—	—	—	19,964	—	—	—
Indian Ports	—	—	—	2,626	—	—	—
Total	10,560	—	—	22,590	—	—	2,738

IMPORT AND EXPORT TRADE OF BRITISH INDIA.

STATEMENT showing the Annual Value of the Import and Export Trade of British India and the Total Miles of Railway open.

Year ending 31st March.	Total Miles of Railway open.	Imports.			Exports.		
		Merchandise.	Treasure.	Total Merchandise and Treasure.	Merchandise.	Treasure.	Total Merchandise and Treasure.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1878	8,217	41,46,41,851	17,35,54,596	58,81,96,447	65,22,23,282	2,21,00,956	67,43,33,238
1879	8,494	37,80,09,835	7,05,67,486	44,85,77,321	60,93,68,769	3,98,22,283	64,91,91,052
1880	9,162	41,17,25,671	11,65,48,948	52,82,74,619	67,21,07,406	2,03,51,479	69,24,58,885
1881	9,890	53,08,68,074	8,99,72,139	62,08,40,213	74,54,09,072	1,44,04,408	75,98,13,480
1882	10,149	49,11,28,724	11,32,27,804	60,43,56,528	81,06,64,102	1,09,97,468	83,06,61,576
1883	10,458	52,09,86,720	13,45,33,642	65,55,20,362	83,48,49,372	1,04,18,488	84,52,67,860
1884	11,631	55,29,89,907	12,87,79,633	68,17,69,540	88,07,64,315	1,00,84,937	89,08,49,252
1885	12,283	55,70,16,804	13,88,81,918	69,58,98,722	83,17,01,507	1,96,89,796	85,13,91,302
1886	12,892	55,65,19,552	15,46,70,808	71,11,90,360	83,86,11,698	1,10,82,310	84,96,94,603
1887	14,103	61,81,19,608	11,04,83,224	72,86,02,832	88,48,10,354	1,72,04,261	90,20,14,615
1888	14,576	65,00,45,881	13,81,25,456	78,81,71,337	90,54,36,458	1,60,46,242	92,14,82,700
1889	15,887	69,43,77,531	13,84,49,249	83,28,26,780	97,06,02,386	1,78,43,819	98,84,46,205
1890	16,401	69,19,93,762	17,45,45,037	86,65,38,799	1,03,44,87,052	1,90,63,218	1,05,35,50,270
1891	17,308	71,97,57,754	21,93,44,876	93,91,02,630	1,00,21,50,575	2,12,31,785	1,02,33,82,360
1892	17,815	69,42,75,659	14,72,26,621	84,15,02,280	1,08,17,79,873	3,28,66,858	1,11,46,46,731
1893	18,504	66,27,86,222	17,00,98,101	83,28,84,323	1,06,57,46,715	6,95,89,237	1,13,53,35,952
1894	18,900	77,02,60,944	18,46,12,564	95,48,73,508	1,06,51,48,540	4,10,01,921	1,10,61,50,461
1895	19,547	73,51,65,042	9,58,12,084	83,09,77,126	1,08,92,91,101	8,22,60,717	1,17,15,51,818
1896	20,254	72,93,61,344	13,36,79,854	86,30,41,198	1,14,34,59,341	4,25,98,105	1,18,60,57,446
1897	21,115	76,21,58,352	13,08,45,635	89,30,03,987	1,03,98,36,184	4,93,74,955	1,08,92,11,139
1898	22,040	73,63,43,159	20,53,06,170	94,16,49,329	97,03,51,802	7,14,86,470	1,04,78,38,272
1899	23,523	72,11,07,161	17,89,56,127	90,00,63,238	1,12,80,11,811	7,41,14,207	1,20,21,26,018
1900	24,752	75,36,44,785	20,97,36,851	96,27,81,636	1,09,11,36,448	7,95,63,876	1,17,07,00,324
1901	25,363	80,89,40,873	24,57,61,818	1,05,47,02,691	1,07,76,44,143	14,22,73,646	1,21,99,17,789
1902	25,931	88,74,24,199	20,87,13,352	1,09,61,37,551	1,24,52,48,571	11,47,08,603	1,35,99,57,174
1903	26,956	85,86,60,829	25,31,83,178	1,11,18,44,007	1,29,40,79,337	9,65,76,370	1,39,06,55,707
1904	27,565	92,59,22,723	38,52,61,072	1,31,11,83,795	1,53,51,71,599	15,04,38,811	1,68,56,10,410
1905	28,295	1,04,41,27,454	39,50,81,750	1,43,92,09,204	1,57,70,83,029	16,42,88,167	1,74,13,71,196
1906	29,097	1,12,07,09,822	31,65,14,438	1,43,72,24,260	1,61,85,53,960	15,47,00,054	1,77,32,54,014

1907	.. .. ..	30,010	1,17,24,15,294	44,57,98,114	1,61,82,13,408	1,76,66,94,270	5,71,82,526	1,82,38,76,796
1908	.. .. ..	30,576	1,36,53,80,454	42,28,44,977	1,78,82,25,441	1,77,37,29,892	5,44,85,001	1,82,82,14,893
1909	.. .. ..	31,490	1,28,77,81,788	22,74,41,677	1,51,52,23,465	1,53,14,31,953	6,32,02,465	1,59,46,34,418
1910	.. .. ..	32,099	1,22,64,97,224	37,52,34,734	1,60,17,31,958	1,87,83,04,410	6,39,90,403	1,94,22,94,813
1911	.. .. ..	32,839	1,33,70,57,458	39,77,35,730	1,73,47,93,188	2,10,15,16,030	7,12,69,254	2,17,27,85,284
1912	.. .. ..	33,484	1,44,05,54,383	53,47,08,480	1,97,52,62,863	2,27,98,82,325	10,37,39,063	2,38,36,21,388
1913	.. .. ..	34,656	1,66,62,96,807	61,83,17,536	2,28,46,14,343	2,46,21,83,342	10,63,17,656	2,56,85,00,998
1914	.. .. ..	34,656	1,91,30,79,586	43,43,96,503	2,34,74,76,089	2,49,00,74,896	7,08,28,850	2,56,09,03,746
1915	.. .. ..	35,285	1,44,93,07,207	21,80,83,236	1,66,73,90,443	1,82,17,60,256	5,28,94,370	1,87,46,54,626
1916	.. .. ..	35,833	1,38,16,93,032	11,94,62,390	1,50,11,55,422	1,99,48,03,975	8,22,57,819	2,07,70,61,794
1917	.. .. ..	36,286	1,60,24,89,599	38,45,26,695	1,98,70,16,294	2,47,37,74,815	6,41,72,070	2,53,79,46,885
1918	.. .. ..	36,333	1,64,35,48,949	51,76,43,160	2,16,11,92,109	2,44,90,40,505	7,54,39,185	2,52,44,79,690
1919	.. .. ..	36,616	1,88,56,24,317	71,36,55,075	2,59,92,79,392	2,55,32,02,610	9,01,03,571	2,64,33,06,181
1920	.. .. ..	36,735	2,21,70,24,425	78,23,88,554	2,99,94,12,979	3,32,75,78,755	13,67,97,719	3,46,43,76,474
1921	.. .. ..	37,029	3,47,13,52,122	34,76,34,962	3,81,89,87,084	2,67,64,36,175	26,17,12,640	2,93,81,48,815
1922	.. .. ..	37,266	2,82,59,75,453	31,29,90,526	3,13,89,65,979	2,48,65,76,106	19,06,73,144	2,67,72,49,250
1923	.. .. ..	37,618	2,46,19,24,109	63,57,96,096	3,09,77,20,205	3,16,07,16,915	3,01,71,845	3,19,08,88,760
1924	.. .. ..	38,039	2,37,18,32,279	53,20,40,566	2,90,38,72,845	3,63,37,63,664	3,67,32,510	3,67,04,96,174
1925	.. .. ..	38,270	2,53,36,36,608	99,19,84,987	3,52,56,21,595	4,00,24,27,531	5,16,81,392	4,05,41,08,923
1926	.. .. ..	38,580	2,36,00,12,595	55,48,77,580	2,91,48,90,175	3,86,81,21,842	3,83,91,668	3,90,65,13,510
1927	.. .. ..	39,048	2,40,81,84,303	41,53,20,573	2,82,35,04,876	3,11,05,04,300	2,21,13,404	3,13,26,17,704
1928	.. .. ..	39,712	2,61,52,38,665	34,89,53,529	2,96,41,92,194	3,30,26,37,283	3,13,60,896	3,33,39,98,179
1929	.. .. ..	40,950	2,63,39,79,360	37,29,42,646	3,00,69,22,006	3,39,15,06,656	6,35,31,454	3,45,50,38,110
1930	.. .. ..	41,723	2,49,70,74,490	27,83,19,584	2,77,53,94,074	3,18,98,97,089	5,14,33,004	3,24,13,30,093
1931	.. .. ..	42,281	1,73,09,08,307	26,86,34,373	1,99,95,42,680	2,26,51,21,864	4,00,08,598	2,30,51,30,462
1932	.. .. ..	42,813	1,30,64,28,506	7,26,80,825	1,37,91,09,331	1,61,20,22,325	65,92,85,265	2,27,13,07,590
1933	.. .. ..	42,961	1,35,01,76,054	2,99,13,188	1,38,00,89,242	1,35,93,34,109	70,66,15,528	2,06,59,49,637
1934	.. .. ..	42,953	1,17,30,45,422	1,96,15,215	1,19,26,60,637	1,51,17,15,209	65,56,63,908	2,16,73,79,117
1935	.. .. ..	43,021	1,34,58,25,058	5,19,17,165	1,39,77,42,223	1,55,49,71,644	63,50,46,139	2,19,00,17,783
1936	.. .. ..	43,118	1,36,76,36,945	7,44,88,569	1,44,21,25,514	1,64,59,67,984	45,66,88,147	2,10,26,56,131
1937	.. .. ..	43,128	1,27,72,13,251	15,50,89,994	1,43,23,03,245	2,02,48,94,884	30,20,40,314	2,32,69,35,198
1938*	.. .. ..	41,076	1,77,22,08,967	4,71,24,768	1,81,93,33,735	1,89,76,39,162	19,76,70,257	2,09,53,09,419
1939*	.. .. ..	41,134	1,55,55,32,005	3,24,36,026	1,58,79,68,031	1,69,83,11,805	15,19,54,275	1,85,02,66,080
1940*	.. .. ..	41,156	1,68,96,13,528	6,64,41,915	1,75,60,55,443	2,15,95,10,828	40,79,57,074	2,56,74,67,902
1941*	.. .. ..	41,052	‡1,56,96,88,235	....	....	‡1,98,71,57,790	....	....
1942*	.. .. ..	40,477	‡1,73,14,82,062	....	....	‡2,52,88,47,590	....	....
1943*	.. .. ..	40,525	‡1,10,44,43,095	....	....	‡1,94,96,18,245	....	....
1944*	.. .. ..	40,512	1,32,78,43,389	4,29,38,805	1,37,02,82,194	2,11,09,24,110	5,71,93,656	2,16,81,17,866
1945*	.. .. ..	40,509	2,31,76,87,333	24,46,42,070	2,56,23,29,403	2,29,76,09,435	5,18,55,199	2,34,94,64,634
1946*	.. .. ..	40,518	2,87,77,68,732	8,40,78,616	2,96,18,47,248	2,64,76,18,213	7,04,14,678	2,71,80,32,891

* Exclusive of Burma due to separation.

‡ Imports and Exports of Government Stores and Treasure not available.

Summary of the Foreign Trade of Bombay for the Year ended 31st March 1947.

(In lakhs of rupees.)

	Imports.	Re-exports.	Net Imports.	Exports.
April 1946	8,52	12.7	8,39.3	2,86
May „	10,23	24.4	9,98.6	7,43
June „	7,65	21.5	7,43.5	4,72
July „	9,27	17.2	9,09.8	6,90
August „	11,36	11.7	11,24.3	4,81
September „	13,10	17.1	12,92.9	2,12
October „	12,68	25.6	12,42.4	5,14
November „	11,75	25.6	11,49.4	3,26
December „	14,57	15.6	14,41.4	4,96
January 1947	11,97	11.2	11,85.8	6,22
February „	15,48	5.2	15,42.8	3,91
March „	16,15	8.9	16,06.1	3,83
Total	1,42,73	1,96.7	1,40,76.3	56,16

Comparative Figures for the Past Three Years

(In lakhs of rupees).

Imports.	Year ended 31-3-1945	Year ended 31-3-1946	Year ended 31-3-1947
Merchandise (Private)	90,23	97,39	1,42,73
Less—Re-exports	63	80	1,96.7
	89,60	96,59	1,40,76.3
Treasure (Private)	16	55.6	28,80.8
Net Imports ..	89,76	97,14.6	1,69,57.1
Exports	44,43	53,28	56,16

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar Years 1892 to 1923.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1892	954,243	53,275	3,805,823	1,758,459	1,227,560	9,374,762	620,133
1893	857,771	49,538	4,319,264	4,275,862	1,510,317	5,043,690	563,053
1894	797,070	54,678	5,389,941	3,306,108	1,126,418	1,561,048	1,076,482
1895	624,465	61,586	2,639,749	1,829,827	1,379,335	2,522,933	775,582
1896	772,258	58,520	3,214,613	1,495,463	1,186,842	1,429,572	839,314
1897	511,899	51,710	775,838	1,874,663	831,398	5,343	555,081
1898	490,544	51,653	2,729,122	2,287,393	1,847,419	5,781,881	635,732
1899	500,232	53,272	2,136,142	1,967,680	1,613,679	2,852,863	752,343
1900	232,425	40,611	811,128	1,050,052	1,613,135	608	878,740
1901	560,434	33,091	1,754,701	2,586,544	1,704,817	38,619	728,055
1902	577,929	39,793	2,017,704	2,742,283	1,881,426	211,397	1,079,241
1903	958,199	49,332	2,957,635	2,614,181	3,063,821	2,783,625	748,137
1904	926,295	58,319	3,808,789	2,182,881	2,266,118	5,302,304	958,886
1905	667,323	63,666	3,485,956	728,041	1,420,503	4,205,315	621,298
1906	989,693	59,101	1,889,089	829,438	1,578,931	485,747	779,584
1907	1,126,376	54,390	2,333,472	2,026,544	2,235,206	552,660	848,293
1908	659,822	47,344	1,046,806	802,923	1,018,619	12,740	1,304,388
1909	672,247	69,121	1,843,403	1,273,005	1,620,631	2,177,644	76,757
1910	1,153,233	68,059	2,546,238	2,137,828	2,864,185	1,673,016	917,208
1911	776,417	62,721	4,905,080	1,383,053	2,016,231	3,326,327	662,892
1912	436,208	64,072	3,579,356	1,069,916	1,012,554	3,805,556	652,080
1913	736,262	63,244	3,713,812	1,042,510	1,695,000	4,997,989	549,483
1914	1,113,016	54,555	2,622,097	678,060	1,280,036	109,323	755,687
1915	403,322	82,456	1,603,837	543,494	150,068	1,593,092	601,144
1916	293,876	77,109	5,410,560	451,782	1,130,405	545,656	422,965
1917	358,378	84,151	2,630,619	321,811	639,091	4,636,634	408,692
1918	190,529	109,850	2,474,109	73,181	3,552	1,487,714	300,061
1919	337,043	63,938	2,689,540	396,514	331,022	126,416	538,022
1920	649,736	42,920	1,511,233	729,716	678,059	....	346,812
1921	503,215	36,931	524,442	165,908	264,842	....	419,829
1922	628,674	75,326	2,307,369	464,045	610,412	1,000	525,031
1923	980,710	51,734	3,043,144	786,356	156,675	419,046	389,198

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to all Foreign Countries during the Calendar Years 1924 to 1946.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1924	2,520,053	75,992	2,990,141	881,200	468,157	547,085	888,994
1925	2,820,629	66,329	3,524,849	531,136	812,900	1,187,532	605,257
1926	2,257,802	46,347	1,585,096	77,894	72,752	138,592	719,078
1927	2,052,225	57,996	1,641,559	52,861	80,010	32,880	883,259
1928	2,563,221	71,769	1,828,077	189,435	471,740	68,162	641,162
1929	2,678,328	83,264	1,576,531	39,838	415,725	47,553	729,169
1930	2,755,604	41,532	2,110,422	13,354	19,708	32,857	732,974
1931	2,194,682	49,201	926,552	18,155	83,802	71,035	644,706
1932	924,302	33,474	491,481	39,023	248,126	26,236	592,374
1933	1,545,511	57,388	3,298,611	49,677	305,965	25,937	709,041
1934 .. .. †	1,713,319	41,329	3,229,879	69,178*	143,941	24,865	617,732
1935	1,633,888	48,036	1,222,517	43,854*	11,230	30,088	702,840
1936	2,153,096	34,789	3,329,916	52,145*	85,023	46,884	655,634
1937	1,779,985	38,033	2,086,453	53,742*	250,228	50,131	623,774
1938	1,535,838	33,350	3,334,933	46,674*	83,175	40,738	549,023
1939	1,619,859	51,477	2,593,561	42,988*	45,114	45,962	770,253
1940	1,368,584	17,626	2,063,025	96,737*	31,389	44,005	553,826
1941	704,383	32,253	2,291,457	34,227*	45,067	83,287	263,262
1942	280,316	16,711	2,619,082	16,731*	161,737	2,537	254,308
1943	205,336	9,519	494,101	13,295*	113,013	311	101,126
1944	192,376	21,388	1,073,870	3,249*	17,504	..	89,456
1945	217,646	15,931	2,199,316	6,771*	51,073	..	307,178
1946	536,719	19,169	1,015,356	629*	45,644	..	328,948

* Inclusive of Mustard Seed. † Includes Cotton exported to Calcutta and Coast Ports.

STATEMENT showing the Exports from Bombay by Sea of Indian Manufactured Cotton Piecegoods and Yarns since 1908.

Year ending 31st Dec.	Grey and White Piecegoods.			Coloured Piecegoods		Total Piecegoods.			Yarns.	
	Packages.	Yards.	Lbs.	Packages.	Yards.	Packages.	Yards	Lbs.	Bales.	Lbs.
1908	120,300	215,698,687	60,862,003	30,997	50,792,342	151,297	266,491,029	66,622,757	598,621	234,484,640
1909	141,920	252,992,500	70,093,139	39,326	66,751,717	181,246	319,744,217	79,936,054	636,329	252,460,745
1910	136,972	250,489,940	68,312,314	45,333	75,673,845	182,305	326,163,785	81,540,946	565,999	223,758,970
1911	122,601	224,438,698	63,524,949	54,000	89,411,376	176,601	313,850,074	78,462,518	403,214	158,582,640
1912	126,681	231,976,527	66,009,051	64,169	107,289,928	190,850	339,266,455	84,816,614	579,281	228,759,617
1913	97,005	177,239,570	50,527,978	55,071	92,467,657	152,076	269,707,227	67,426,807	518,230	205,207,962
1914	91,837	169,515,937	49,361,518	42,084	72,602,270	133,921	242,118,207	60,529,552	437,159	173,172,953
1915	108,956	199,968,079	58,350,926	61,045	103,038,333	170,001	303,006,412	75,751,603	471,395	186,585,698
1916	175,923	248,326,445	70,956,464	82,818	139,616,532	258,741	387,942,977	96,985,744	410,972	162,627,300
1917	111,845	176,934,869	46,119,953	86,909	148,290,803	198,754	325,225,672	81,306,418	373,187	147,167,250
1918	94,071	153,463,774	40,025,958	71,424	126,063,308	165,495	279,527,082	69,881,770	193,275	75,599,059
1919	132,112	219,343,388	56,536,165	116,313	202,286,577	248,425	421,629,965	105,407,491	372,212	146,832,081
1920	149,552	241,230,910	61,482,863	157,042	120,332,112	306,594	361,563,022	90,390,755	288,778	113,351,962
1921	120,739	212,563,435	53,577,720	99,518	159,572,347	220,257	372,135,782	93,033,945	314,330	124,310,163
1922	138,769	254,292,354	65,928,239	100,581	176,411,422	239,350	430,703,776	107,675,944	267,711	105,122,885
1923	173,381	304,497,408	69,452,982	110,243	180,990,710	283,624	485,488,118	121,372,029	215,036	83,657,151
1924	177,950	320,087,971	75,657,413	103,999	169,055,231	281,949	489,143,202	122,285,800	175,175	67,861,329
1925	133,458	233,217,232	55,688,235	96,447	158,069,128	229,905	391,286,360	97,821,590	176,210	67,892,155
1926	119,331	210,752,239	50,243,116	112,795	180,075,412	232,126	390,827,651	97,706,912	175,869	67,786,883
1927	130,963	229,773,883	55,215,566	118,474	196,438,974	249,437	426,212,857	106,553,214	156,999	60,555,498
1928	100,699	177,282,508	34,777,044	97,936	157,677,505	198,635	334,960,013	83,740,003	102,954	40,816,700
1929	106,748	193,179,168	38,635,833	82,351	147,586,666	189,099	340,765,834	85,191,458	125,577	54,361,428
1930	136,281	241,220,836	48,964,399	75,555	122,465,715	211,836	363,686,551	90,921,637	126,006	50,490,540
1931	192,578	342,654,885	68,686,328	80,346	127,129,785	272,924	469,784,670	117,446,167	142,236	65,666,258
1932	294,483	794,303,908	106,795,020	72,177	108,236,606	366,660	902,540,514	225,635,128	122,156	46,294,310
1933	209,259	390,535,659	78,065,873	58,052	87,899,698	267,311	478,435,357	119,608,839	112,059	43,557,629
1934	229,024	414,324,303	86,762,142	65,728	94,046,841	294,752	508,371,144	127,092,786	94,853	37,126,195
1935	216,300	383,877,416	76,775,483	55,416	81,771,947	271,716	465,649,363	116,412,340	88,088	34,626,637
1936	243,834	442,916,172	88,583,234	58,167	84,883,124	302,001	527,799,296	131,940,824	80,995	31,337,340
1937	263,665	406,706,851	81,341,332	98,229	105,542,821	361,894	512,249,672	128,062,418	99,726	33,158,260
1938	222,819	497,943,219	99,588,644	68,733	90,598,779	291,552	588,541,998	147,135,499	133,719	53,845,533
1939	214,894	402,959,694	80,591,939	74,921	89,945,061	289,815	492,904,755	123,226,189	101,524	39,757,666
1940	201,513	302,405,778	60,481,156	115,362	160,859,627	316,875	463,265,405	115,816,351	94,721	35,675,019
1941	296,697	419,784,283	83,956,857	226,989	324,513,230	523,686	744,297,513	186,074,378	158,184	61,449,881
1942	390,241	552,134,680	110,426,936	290,590	417,484,050	680,831	969,618,730	242,404,682	150,350	55,111,582
1943	304,381	431,793,523	86,358,704	139,402	191,003,543	443,783	622,797,066	155,699,266	50,543	18,203,572
1944	330,102	482,532,063	96,506,413	140,275	195,084,649	470,377	677,616,712	169,404,178	68,171	23,532,517
1945	283,749	380,325,802	76,065,160	148,690	193,149,075	432,439	573,474,877	143,368,719	42,982	17,393,136
1946	212,086	273,513,238	54,702,647	121,971	147,303,721	334,007	421,316,959	105,329,239	21,740	8,561,509

Foreign Countries to which Cotton Grey and White Piecegoods of Indian manufacture have been exported from Bombay by Sea since 1940. (*Year ending* 31*st December.*)

In lakhs of yards (000's omitted).

To	1940	1941	1942	1943	1944	1945	1946
United Kingdom	164.24	149.98	58.37	..	..	..	..
Turkey in Europe	..	..	16.54	124.76	189.36	77.75	12.16
Other European Countries	2.54	0.36	..	..	..	0.03	0.60
America	18.56	30.46	15.56	..	..	..	..
Burma	487.05	537.55	2.60	..	..	..	64.58
Ceylon	48.85	90.78	31.23	46.47	74.32	58.14	27.90
China (including Hongkong)	1.79	2.02	..	..	..	..	25.81
Straits Settlements	114.40	293.85	..	..	..	..	34.72
Iran	0.13	0.56	222.58	30.15	46.37	18.55	75.46
Iraq	14.12	40.44	353.00	111.93	138.72	165.49	88.68
Arabia	1.50	19.09	197.56	91.09	110.16	122.02	89.14
Turkey (Asiatic)	..	...	141.97	112.95	..	..	..
Palestine	4.72	110.13	273.86	18.98	65.81	25.46	24.36
Syria	2.07	17.73	141.06	8.09	0.07	23.22	30.91
Cyprus	7.92	10.34	4.85	11.68	10.76	11.21	10.01
Aden	4.62	87.96	366.51	339.26	375.23	404.52	144.04
Madagascar	..	..	..	59.73	78.53	71.91	13.15
Mauritius, Seychelles and Reunion	20.46	20.53	16.85	58.19	22.55	15.11	36.40
British East Africa	193.26	565.95	333.46	339.31	333.72	382.02	237.95
Portuguese East Africa	40.39	82.18	56.76	18.92	9.23	5.77	6.46
African Red Sea Ports	3.63	89.96	571.80	590.69	608.54	733.58	502.05
South Africa	50.95	212.91	260.17	244.58	224.48	159.31	84.74
Egypt	33.08	261.41	216.77	29.97	0.02	24.17	5.02
North Africa (excluding Egypt)	..	..	4.47	45.74	18.74	17.28	9.99
West Africa	156.09	280.27	565.23	489.05	204.43	311.47	253.43
Australasia	161.06	229.80	843.02	374.47	240.78	259.94	238.59
Sumatra and Borneo	5.85	68.93	80.93	..	..	..	8.53
British Malaya	22.98	26.00	..	..	..	..	0.82
East Indies and Philippines	..	0.57	0.61	..	..	..	..
Other Foreign Countries	5.13	9.61	4.14	11.21	5.18	8.79	15.95
Total Grey and White Piecegoods	1,565.39	3,239.37	4,779.90	3,157.22	2,757.00	2,895.74	2,041.45

Foreign Countries to which Indian Cotton Yarn have been exported from Bombay by Sea since 1940.

(*Year ending* 31*st December.*)

In lakhs of lbs. (000's omitted.)

To	1940	1941	1942	1943	1944	1945	1946
United Kingdom	32.26	33.09	..	..	..	..	..
Turkey in Europe	1.19	0.30	3.27	34.27	12.69	12.50	14.55
Other European Countries	1.22	0.06	..	..	..	..	..
America	..	..	0.23	..	..	..	..
Burma	102.57	158.10	1.64	..	..	..	..
Ceylon	0.94	0.97	0.61	0.48	0.51	..	0.09
China (Including Hongkong)	61.09	27.72	..	..	..	..	..
Straits Settlements	26.86	38.45	..	..	..	..	..
Iran	..	..	3.77	0.87	..	..	..
Iraq	18.87	15.19	19.64	2.82	3.18	9.36	3.22
Arabia	3.57	4.51	4.71	0.57	0.81	..	0.78
Turkey (Asiatic)	0.12	0.35	24.26	4.02	..	..	..
Palestine	4.55	27.57	43.10	30.66	45.94	22.28	3.52
Syria	3.87	6.25	82.95	4.77	4.84	6.14	2.52
Cyprus	1.92	4.09	4.47	4.41	5.48	4.48	1.21
Aden	6.05	72.83	69.47	6.56	27.97	9.55	0.58
Madagascar	..	..	..	..	..	..	..
Mauritius, Seychelles and Reunion	0.10	..	..	..	..	..	..
British East Africa	1.50	2.80	1.25	0.16	0.02	..	..
Portuguese East Africa	0.17	1.42	1.34	..	..	..	..
African Red Sea Ports	..	9.13	21.26	0.11	2.78	30.20	16.14
South Africa	17.54	32.84	47.89	28.09	10.91	4.21	1.85
Egypt	4.13	39.40	14.85	0.75	0.40	3.87	0.15
North Africa (Excluding Egypt)	..	..	..	..	..	..	..
West Africa	0.17	0.77	5.08	2.02	1.73	1.83	2.14
Australasia	5.64	7.84	32.01	5.52	6.64	0.67	..
Sumatra and Borneo	0.08	74.22	97.15	..	..	..	..
British Malaya	0.42	0.06	..	..	..	..	..
East Indies and Philippines	2.90	4.80	6.28	..	..	..	..
Other Foreign Countries	0.42	0.88	..	..	..	..	..
Total Yarns	298.15	563.64	485.23	126.08	123.90	105.09	46.75

COAL.

Imports of Coal into Bombay by Sea and Rail.

The following return of the Imports of Coal into Bombay by Sea and Rail in the years 1940 to 1946 is printed for the information of members :—

From	1940.	1941.	1942.	1943.	1944.	1945.	1946.
By Sea.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons	Tons.
Europe	1,422	400	..	..	..	..	..
Australia ..	..	..	..	..	..	..	..
Japan	..	..	..	..	..	..	..
Africa	410	1,090	5,850	..	..	..	..
Other Foreign Countries ..	45	..	..	..	..	..	..
Indian Ports ..	41,942	3,495	35,605	33,322	4,955	153,917	160,088
Total—By Sea..	43,819	4,985	41,455	33,322	4,955	153,917	160,088
Total—By Rail.	623,446	769,230	786,227	587,351	514,412	282,829	282,232
Grand Total ..	667,265	774,215	827,682	620,673	519,367	436,746	442,320

SESSAMUM (TIL OR JINJILI) CROP.

The total area reported for the season 1945-46 was 3,903,000 acres as against 3,939,000 acres the previous year. The total yield of the crop was estimated at 387,000 tons as compared with 393,000 tons the previous year.

The following figures show the total Acreage and Outturn of Sessamum in each official year from 1944-45 :—

Years.	Area (In thousand acres).	Outturn (In thousand tons.)
1944-45	3,939	393
1945-46	3,903	387

Estimate of the Sessamum Crop of the Season 1945-46. *Share of each Province and State of Area and Yield for* 1944-45 and 1945-1946. (000's omitted).

Provinces and States.	Area.			Yield.			Increase or Decrease in the Current Year over			
							Area.		Yield.	
	Current year 1945-46	Previous year 1944-45	Average of preceding 5 years	Current year 1945-46	Previous year 1944-45	Average of preceding 5 Years	Previous year 1944-45	Average of preceding 5 years	Previous year 1944-45	Average of preceding 5 years
	Acres.	Acres.	Acres.	Tons.	Tons.	Tons.	Per cent.	Per cent.	Per cent.	Per cent.
United Provinces { Unmixed	246	225	276	23	21	25	+ 9.8	—10.9	+ 9.5	— 8.0
United Provinces { Mixed*	1,096	1,054	1,058	103	97	96	+ 4.0	+ 3.6	+6.2	+ 7.3
Madras	557	616	750	62	76	91	— 9.6	—25.7	—18.4	— 31.9
Bombay (including Indian State)†	394	456	557	44	51	66	—13.6	—29.3	—13.7	— 33.3
Central Provinces and Berar	855	362	466	26	25	36	— 1.9	—23.8	+ 4.0	— 27.8
Bengal	159	181	178	33	38	34	—12.2	—10.7	—13.2	— 2.9
Bihar	118	118	116	16	15	15	..	+ 1.7	+ 6.7	+ 6.7
Orissa	101	100	102	12	12	13	+ 1.0	— 1.0	..	— 7.7
Punjab	90	70	84	10	8	8	+28.6	+ 7.1	+25.0	+ 25.0
Ajmere-Merwara	27	21	12	2	1	1	+28.6	+125.0	+100.0	+100.0
Sind (including Khairpur State)	12	14	7	1	2	1	—14.8	+71.4	—50.0	..
Hyderabad	638	623	(a) 472	46	41	36	+ 2.4	+35.2	+12.2	+ 27.8
Kotah (Rajputana)	85	83	50	3	2	3	+ 6.1	—30.0	+50.0	..
Bhopal (Central India) ..	39	30	54	3	2	4	+30.0	—27.8	+50.0	— 25.0
Baroda	36	36	49	3	2	3	..	—26.5	+50.0	..
Total { Unmixed	2,807	2,885	3,178	284	296	336	— 2.7	—11.5	— 4.1	— 15.5
Total { Mixed	1,096	1,054	1,058	103	97	96	+ 4.0	+ 3.6	+ 6.2	+ 7.3
Grand Total ..	3,903	3,939	4,231	387	393	432	— 0.9	— 7.8	— 1.5	— 10.4

*The estimates of the mixed crop of the United Provinces are highly conjectural and have, therefore, been kept separate.
†Comprised in Western India States Agency, Gujarat States Agency, Kolhapur and Deccan States Agency.
(a) Not strictly comparable with the figures for current and previous years owing to adoption of a new basis of compilation.

LINSEED.

The total area reported for the season 1945-46 is 3,376,000 acres as against 3,465,000 acres last year. The total yield is estimated at 369,000 tons as against 392,000 tons last year.

The following figures show the total Acreage and Outturn of Linseed in each official year from 1944-45.

Years.	Area (in thousand acres).	Outturn (in thousand tons).
1944-45	3,465	392
1945-46	3,376	369

Estimate of the Linseed Crop of the Season 1945-46. *Share of each Province and State of Area and Yield for* 1944-45 *and* 1945-46.

(000's omitted).

Provinces and States	Area.			Yield.			Increase or Decrease in the Current Year over			
							Area.		Yield.	
	Current year 1945-46	Previous year 1944-45	Average of preceding 5 years	Current year 1945-46	Previous year 1944-45	Average of preceding 5 years	Previous year 1944-45	Average of preceding 5 years	Previous year 1944-45	Average of preceding 5 years
	Acres.	Acres.	Acres.	Tons.	Tons.	Tons.	Per cent.	Per cent.	Per cent.	Per cent.
Central Province & Berar (*b*)	1,091	1,229	1,223	84	85	90	—11.2	—10.8	— 1.2	— 6.7
United Provinces { Unmixed	178	175	213	27	31	38	+ 1.7	—16.4	—12.9	—28.9
United Provinces { Mixed	697	691	659	108	123	115	+ 0.9	+ 5.8	—12.2	— 6.1
Bihar	540	560	552	65	72	75	— 3.6	— 2.2	— 9.7	—13.3
Bengal	132	150	158	20	22	28	—12.0	—16.5	— 9.1	—28.6
Bombay†	44	83	100	3	8	9	—47.0	—56.0	—62.5	—66.7
Punjab	33	33	33	3	3	3	..	..	..	..
Orissa	6	6	7	1	1	1	..	—14.3	..	..
Hyderabad	515	408	445	45	36	38	+26.2	+15.7	+25.0	+18.4
Kotah (Rajputana)	98	80	79	10	6	7	+22.5	+24.1	+66.7	+42.9
Bhopal (Central India)	42	50	55	3	5	5	—16.0	—23.6	—40.0	—40.0
Total { Unmixed	2,679	2,774	2,865	261	269	294	— 3.4	— 6.5	— 3.0	—11.2
Total { Mixed	697	691	659	108	123	115	+ 0.9	+ 5.8	—12.2	— 6.1
Grand total	3,376	3,465	3,524	369	392	409	— 2.6	— 4.2	— 5.9	— 9.8

(*b*)=Including four States comprised in Chattisgarh States Agency.
†=Including Indian States comprised in the Kolhapur and the Deccan States Agency.

RAPE SEED AND MUSTARD SEED.

The total area under rape seed and mustard seed for the season 1945-46 amounts to 5,497,000 acres as compared with 5,580,000 acres last year. The total estimated yield is 910,000 tons as against 1,034,000 tons last year.

The following figures show the total Acreage and Outturn of Rape seed and Mustard seed in each official year from 1944-45 :—

Years.	Area (in thousand acres.)	Outturn (in thousand tons.)
1944-45	5,580	1,034
1945-46	5,497	910

Estimate of the Rape Seed and Mustard Seed Crop of the Season 1945-46. *Share of each Province and State of the Area and Yield for* 1944-45 *and* 1945-46.

(000's omitted).

Provinces and States.	Area.			Yield.			Increase or Decrease in the Current Year over			
							Area		Yield.	
	Current year 1945-46	Previous year 1944-45	Average of preceding 5 years	Current year 1945-46	Previous year 1944-45	Average of preceding 5 years	Previous year 1944-45	Average of preceding 5 years.	Previous year 1944-45	Average of preceding 5 years.
	Acres.	Acres.	Acres.	Tons.	Tons.	Tons.	Per cent.	Per cent.	Per cent.	Per cent.
Rape and Mustard.										
United Provinces { Unmixed	167	177	240	27	36	47	— 5.6	—30.4	—25.0	—42.6
United Provinces { Mixed	2,619	2,559	2,543	432	524	496	+ 2.3	+ 3.0	—17.6	—12.9
Punjab	787	861	935	125	129	140	— 8.6	—20.1	— 3.1	—10.7
Bengal	551	549	790	95	93	148	+ 0.4	—30.3	+ 2.2	—33.6
Bihar	480	509	492	96	109	103	— 5.7	— 2.4	—11.9	— 6.8
Assam	330	315	370	51	54	56	+ 4.8	—10.8	— 5.6	— 8.9
Sind (*a*)	248	251	269	45	47	38	— 1.2	— 7.8	— 4.3	+18.4
North West Frontier Province	97	138	100	7	9	9	—29.7	— 3.0	—22.2	—22.2
Central Provinces and Berar	56	56	59	12	13	10	..	— 5.1	— 7.7	+20.0
Orissa	30	29	27	6	5	5	+ 3.4	+11.1	+20.0	+20.0
Bombay*	11	15	18	2	3	3	—26.7	—38.9	—33.3	—33.3
Delhi	4	7	10	(*b*)	(*c*)	(*d*)	—42.9	—60.0	..	..
Alwar (Rajputana)	95	85	44	9	8	5	+11.8	+115.9	+12.5	+80.0
Hyderabad	5	10	9	(*c*)	1	1	—50.0	—44.4	..	..
Baroda	17	19	8	3	3	1	—10.5	+112.5	..	—200.0
Total—Unmixed	2,878	3,021	3,421	478	510	561	— 4.7	—15.9	— 6.3	—15.0
Total—Mixed	2,619	2,559	2,543	432	524	496	+ 2.3	+ 3.0	—17.6	—12.9
Grand Total	5,497	5,580	5,964	910	1,034	1,057	— 1.5	— 7.8	—12.0	—13.8

* Including Indian States comprised in Western India States Agency and Gujarat States Agency.
(*a*) Including Khairpur State. (*b*) 200 Tons. (*c*) 400 Tons. (*d*) 800 Tons.

COTTON 1945-46.

With hostilities both in Europe and the Far East over, there was at least some hope of progress towards more normal cotton trading but the food position in India was such that cotton production still had to be sacrificed in the interest of food production.

The final Government estimate of acreage, published on 24th June, 1946, gave the figure of 14,480,000 acres, a decrease of 2 per cent. compared with the final estimate of the previous season and 29 per cent. compared with 1943-44.

The Government's final estimate of yield, also published on 24th June 1946, was 3,442,000 bales but, it should be noted, that invariably there is a substantial difference between Government and trade estimates. According to reliable trade estimates the eventual outturn was 3,931,000 bales, excluding the 450,000 bales conventionally allowed for village consumption. This figure, so similar to that of the previous season when the trade estimated the crop at 3,915,000 bales, was disappointing, more especially as food production did not appear to compensate adequately for the sacrifice of cotton acreage. The small outturn for the second year in succession did, however, assist the statistical position and, with domestic mill consumption still running at a high level, India's cotton surplus was further reduced.

The following figures show the movement of cotton through Bombay during the season 1945-46 :—

		Bales.
Stock on 1st September 1945, as estimated by the East India Cotton Association Ltd.		1,169,188
Arrivals by rail and sea during the year ending 31st August 1946		2,523,524
Arrivals by road as estimated by the East India Cotton Association.		8,113
		3,700,825
Exports during the year ending 31st August 1946:		
United Kingdom	38,674	
Continent	72,235	
America	16,003	
China	282,256	
Other foreign countries and coastal ports	128,040	
		537,208
Exports by rail		400,379
		937,587
Bombay Mill consumption		1,362,486
		2,300,073
*Estimated carry-over on 31st August 1946		1,400,752
		3,700,825

*The East India Cotton Association Ltd. estimated the stock on 31st August 1946, as 1,364,773.

In respect of prices the season was interesting. With the Indian Cotton Contract for September delivery in the previous crop firmly grounded on the Government floor Rs. 350, Government until 25th September 1945 continued purchases of actual cotton under their price stabilisation policy. The January contract the first of the 1945-46 season, having opened at Rs. 419 on 15th August, was quoted Rs. 408 on 1st September but declined to Rs. 395 by 6th September. Thereafter there was a recovery to around the Rs. 410 level but by 28th October the price had declined to Rs. 386. In face of reductions in cloth ceiling prices announced on 26th October, mills were hesitant buyers.

During November, however, prices rose to a peak of Rs. 426 on 22nd November but the usual end month recession followed and there was a decline to Rs. 408 on the 29th. Early in November, cotton exports were de-controlled but towards the end of the month the Government entered the market as a seller of their own stocks and checked the advance. December was an uninteresting month with the January contract price averaging just over Rs. 420.

Despite the new year, with its recurring hope of a better outlook, the market in January found little over which to enthuse. There was news of a Government mission being sent to China to explore ways and means of expanding trade with that country, more especially in cotton; furthermore, Sir Henry Knight, then Senior Adviser to the Governor of Bombay, at the January 1946 meeting of the Indian Central Cotton Committee, announced details of the food position, serious to a point which made it obvious that despite peace and the reopening of export markets no increase in the cotton acreage could be allowed in 1946-47. The I.C.C. for March delivery did reach Rs. 446½ on 29th January but trading was slow and the market had not escaped repercussions from the Central Government's Demonetisation Ordinance issued on 12th January under which currency notes of Rs. 1,000 were called in for exchange into notes of lower denominations.

February was a month of greater activity and on its last day the March contract was traded as high as Rs. 469½. Export business continued on a scale sufficient to bring domestic mills into the market and the basis of actual cotton as well as the hedge contract ruled firm. A good Broach crop helped in the general activity. During March the price of the I.C.C. for May delivery fluctuated between Rs. 478 on the 4th and Rs. 456½ on the 29th, the recession being due to a growing conviction that the Government intended to check rises in the cotton price. On 30th March a notification issued by the Central Government stated that the Textile Commissioner could, by order in writing, direct any person dealing in cotton, or holding cotton for sale, to sell such cotton to such person and at such price as he might specify. It was understood

that requisitioning would be enforced only when mills had less than two months' stock of any specific description and that there would be no requisitioning for export.

During April the low point for the May contract was Rs. 442 on 5th April. Thereafter, despite a Government announcement on 12th April that cotton exports would be subject to licence and that exports of cotton stapling 13/16" and longer were prohibited, the May contract was traded at Rs. 476 on 26th April.

May was a month of disappointment and on 14th May a notification issued by the E.T.C. Bombay stated that further applications for licences to export raw cotton against contracts made on or after 13th April 1946 and fresh applications for export licences in respect of sales of raw cotton stapling below 13/16" made on or after the same date, would not be entertained. It was added that pending applications received on or before 11th May, would, however, be considered on merits. Applications received after 11th May for sales made on or after 13th April would not be considered. The I.C.C. for July delivery, in face of this ban, declined to Rs. 434½ by 29th May and the month ended with the undertone more than usually uncertain.

Trading during June was colourless, the July contract fluctuating between Rs. 434 on the 4th and Rs. 458 on the 28th while, during the month of July the September contract covered a trading range between Rs. 481 on 9th July and Rs. 456 on 30th July. Highlights among the news during July were the increased ceiling prices for coarse cloth first accepted by the Central Government but subsequently rescinded and the reduction in mill working hours from 9 to 8 per shift. It is not overstatement to say that the refusal, on further consideration, of the Government to accept the increase in the coarse cloth price proposed by the Industries Committee of the Textile Control Board was the intitial cause of the acute shortage of coarse cloth which subsequently developed, while the reduction in mill working hours obviously curtailed output at a time when the cloth supply shortage was already acute. From this point the decline in the domestic consumption of cotton steepened.

August was a month of anti-climax during which the I.C.C. for September delivery declined from Rs. 460 on August 9th to Rs. 401 on 27th August. The reasons for this decline were three.

(*a*) disappointment at the absence of any increase in the ceiling prices for the 1946-47 crop;

(*b*) delay in granting permission for new crop hedge trading, and

(*c*) strong aversion to tenders by "longs."

Arbitration results had revealed leniency on the part of the East India Cotton Association Arbitration Committees which leniency was expensive for buyers in that premia payable for the higher qualities as adjudicated were heavy.

As in 1945, the season ending 31st August 1946 concluded on a note of pessimism. Briefly, it might be summarised as a season during which a sense of frustration developed at the continuance of controls into a peace year, when export markets were again active and the U.S.A. was taking every opportunity of unloading her own cotton surplus. A check on cotton exports was, however, necessary to conserve supplies for the domestic textile industry in face of production drastically reduced in favour of food crops. Food, rightly, had preference over cotton.

The following table gives details of arrivals into Bombay by Sea and Rail (arrivals by Road are not included) during the season with the total of the five previous years. (Actual weight converted into Bales of 3½ cwts. in each, after allowing 2 per cent. for tare in the case of receipts by rail.) Season ending 31st August in each case :—

Varieties.	1945-46.	1944-45.	1943-44.	1942-43.	1941-42.	1940-41.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
Khandeish	66,620	50,147	61,592	117,165	88,592	100,995
Central India	71,885	33,656	59,783	55,637	31,284	149,983
Barsi Nugger	103,983	77,743	50,934	42,142	55,617	125,098
Hyderabad Gaorani	35,075	27,925	15,259	21,369	19,245	50,854
Berar	289,954	235,529	257,393	207,968	179,814	386,742
Central Provinces	62,812	55,008	51,048	34,409	87,565	78,308
Dhollera	348,726	124,056	70,051	36,897	34,832	102,458
North-west Provinces	4,823	742	811	1,377	1,425	2,049
Rajputana	35,689	3,946	1,082	44	470	6,778
Sind Punjab	501,667	558,471	410,414	779,428	448,957	578,393
Broach	198,737	161,742	334,624	126,986	321,774	299,943
Compta-Dharwars	52,369	84,193	41,322	89,597	54,332	155,178
Westerns/Northerns	66,749	82,526	11,238	23,082	48,003	113,567
Cocanada	....	....	....	....	....	239
Tinnevelly and Cambodia	10,776	13,674	1,208	15,587	21,873	16,998
Soudan	209,118	90,470	82,466	37,405	144,401	175,296
Americans	40,423	13,339	....	....	....	2,160
Egyptians (other than Soudan) ..	153,357	284,702	238,439	330,716	117,329	195,525
Africans, East	250,206	149,107	188,118	134,578	296,871	295,292
Comilla, Burmah and other Sorts ..	¶ 20,555	¶ 4,109	** 2,712	* 1,084	† 11,426	‡ 1,087
Total ..	2,523,524	2,051,085	1,878,494	2,055,471	1,963,810	2,836,943

** Including 211 bales from Shalimar and 2,437 bales from Afghanistan.
* Including 507 bales from Shalimar.
† Including 51 bales from Iran, 825 bales from Iraq and 698 bales from Shalimar.
‡ Consisting of 311 bales of Burmah and 776 bales of Shalimar cotton.
¶ Afghan cotton.

The following table gives the Actual Clearances of Cotton by Sea from Bombay, to different Countries during the years ending 31st August from 1939-40 to 1945-46 :—

To	1945-46	1944-45	1943-44	1942-43	1941-42	1940-41	1939-40
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
United Kingdom	38,674	27,598	42,143	51,938	213,100	97,325	125,728
France	9,996	12,000	..	..	..	..	125,751
Belgium	28,090	9,750	..	..	..	..	10,928
Italy	3,600	..	..	..	..	..	9,755
Holland	2,060	..	..	..	..	..	5,275
Greece	299	..	..	..	..	..	1,650
Yugoslavia	..	..	..	..	..	..	1,540
Germany	..	..	..	..	..	..	..
Sweden	637	..	..	..	..	..	..
Spain	23,190	..	..	..	..	..	..
Czecho-slovakia	..	..	..	..	..	..	..
Bulgaria	..	..	..	..	..	..	..
Switzerland	4,070	..	..	..	..	..	1,675
Portugal	..	..	110	..	..	165	1,164
Hungary	..	..	..	..	..	..	605
Denmark	293	..	..	..	..	..	..
United States of America	15,512	3,619	11,597	..	47,397	7,518	1,591
Canada	491	601	100	..	..	..	..
China (Including Indo-China)	282,256	..	..	..	3,034	236,103	334,145
Japan	..	..	..	..	23,901	611,507	573,488
Korea	..	..	..	..	5,332	59,052	29,531
Australia	3,073	1,820	7,032	2,234	14,481	15,718	2,428
Java	..	..	..	..	600	..	..
Iraq	50	..	..	4,657	..	178	..
Iran	..	..	2,285	1,400	..	..	..
Ceylon	250	1,524	2,427	2,481	2,084	3,234	4,443
Other Foreign Countries	3,836	721	230	877	303	45	1,183
Indian Ports	120,831	110,257	123,799	95,353	57,692	16,899	51,905
Total ..	537,208	167,890	189,723	158,940	367,924	1,047,744	1,282,785

Comparative Statement showing the Actual Clearance of Cotton from Bombay by Sea to different Countries during the Calendar Years 1940 *to* 1946.

	1946	1945	1944	1943	1942	1941	1940
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
United Kingdom	20,126	41,239	46,550	52,838	174,776	102,085	135,867
France	496	21,500	..	..	..	..	109,332
Belgium	31,516	14,325	..	..	..	..	8,080
Germany	..	..	..	..	..	..	..
Holland	2,520	..	..	..	..	..	3,450
Denmark	293	..	..	..	..	..	..
Sweden	637	..	..	..	..	..	..
Spain	9,590	13,600	..	..	..	..	..
Portugal	..	..	110	..	..	165	415
Hungary	..	..	..	..	..	..	275
Italy	3,710	..	..	..	..	..	4,849
Switzerland	4,785	990	..	..	..	..	575
Czechoslovakia	..	..	..	..	..	..	..
Yugoslavia	..	..	..	..	..	..	1,375
Norway	55	..	..	..	..	..	..
Greece	299	..	..	..	..	..	1,500
United States of America	11,576	8,789	1,786	9,997	31,527	23,238	1,741
Australia	2,412	1,461	2,065	8,196	13,906	11,618	6,653
Japan	..	..	..	..	..	364,103	606,374
China	353,901	..	..	..	..	146,126	386,227
Korea	..	..	..	..	..	34,208	47,191
Ceylon	1,250	1,006	2,605	2,821	1,884	2,958	3,058
Iraq	50	..	..	4,557	100	163	15
Java	..	..	..	..	600	..	..
Iran	..	..	2,285	1,400	..	..	..
Canada	391	415	200	..	..	..	..
Other Foreign Countries	2,826	1,721	110	741	559	154	1,180
Indian Ports	90,286	112,600	137,165	124,786	56,964	19,565	50,427
Total	536,719	217,646	192,876	205,336	280,316	704,383	1,368,584

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864.

In thousands of Bales (000's omitted).

Year ending 30th June.	Receipts.	EXPORTS to			Mill Consumption.	Total.
		Europe.	Elsewhere.	Total.		
1864 ..	..	867	3	870	American War. In 1863 and 1864 Bombay imported Cotton from China.	
1865 ..	..	1,065	1	1,066		
1866 ..	..	1,187	14	1,201	42	1,243
1867 ..	..	1,277	5	1,282	46	1,328
1868 ..	..	1,030	48	1,078	47	1,125
1869 ..	..	1,225	56	1,281	48	1,329
1870 ..	..	1,115	50	1,165	49	1,214
1871 ..	..	967	39	1,006	50	1,056
1872 ..	1,085	1,002	48	1,050	52	1,102
1873 ..	1,151	1,079	34	1,113	53	1,166
1874 ..	978	917	34	951	67	1,018
1875 ..	1,311	1,192	25	1,217	83	1,300
1876 ..	1,345	1,285	20	1,305	135	1,440
1877 ..	1,073	980	35	1,015	147	1,162
1878 ..	1,141	920	38	958	161	1,119
1879 ..	861	800	46	846	204	1,050
1880 ..	832	652	64	716	181	897
1881 ..	1,171	874	34	908	220	1,128
1882 ..	1,832	1,521	87	1,608	277	1,885
1883 ..	1,770	1,335	95	1,430	313	1,743
1884 ..	1,759	1,295	100	1,395	348	1,743
1885 ..	1,139	791	70	861	392	1,253
1886 ..	1,480	1,009	61	1,070	391	1,461
1887 ..	1,703	1,147	40	1,187	454	1,641
1888 ..	1,472	893	58	951	500	1,451
1889 ..	1,851	1,286	46	1,332	565	1,897
1890 ..	2,235	1,488	71	1,559	636	2,195
1891 ..	2,020	1,070	107	1,177	762	1,939
1892 ..	1,770	905	202	1,107	728	1,835
1893 ..	1,738	816	169	985	724	1,709
1894 ..	1,769	908	159	1,067	731	1,798
1895 ..	1,540	525	143	668	815	1,483
1896 ..	2,151	800	346	1,146	849	1,995
1897 ..	1,612	603	405	1,008	703	1,711
1898 ..	1,730	424	409	833	817	1,650
1899 ..	2,033	578	520	1,098	951	2,049
1900 ..	988	117	444	561	745	1,306
1901 ..	1,896	620	340	960	696	1,656
1902 ..	2,142	525	732	1,257	987	2,244
1903 ..	2,454	921	349	1,270	986	2,256
1904 ..	2,151	1,036	423	1,459	973	2,432
1905 ..	2,609	384	664	1,048	1,072	2,120
1906 ..	2,663	1,017	477	1,494	1,141	2,635
1907 ..	2,949	1,169	747	1,916	1,116	3,032
1908 ..	2,123	731	454	1,185	1,079	2,264
1909 ..	2,166	643	723	1,366	1,099	2,465
1910 ..	3,152	1,054	968	2,022	984	3,006
1911 ..	2,467	1,014	668	1,682	953	2,635
1912 ..	2,540	383	923	1,306	1,078	2,384

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864.
In thousands of Bales (000's omitted)—*contd.*

Year ending 31st August.	Receipts.		Total Receipts.	Exports.			Total Exports.	Mill Consumption.	Total.
	Indian Ports.	Foreign Countries		Europe.	China and Japan.	Elsewhere.			
1913	2,733	46	2,779	534	1,023	30	1,587	*1,072	2,659
1914	3,733	6	3,739	1,301	1,245	24	2,570	1,078	3,648
1915	2,683	5	2,688	405	1,441	15	1,861	1,026	2,887
1916	3,133	6	3,139	294	1,691	8	1,993	1,096	3,089
1917	3,103	17	3,120	302	1,321	7	1,630	1,135	2,765
1918	2,279	27	2,306	293	1,213	7	1,513	1,068	2,581
1919	2,525	18	2,543	195	885	11	1,091	1,000	2,091
1920	3,405	22	3,427	629	1,579	24	2,232	957	3,189
1921	2,786	116	2,902	494	1,381	26	1,901	1,061	2,962
1922	3,383	109	3,492	645	1,896	52	2,593	1,074	3,667
1923	3,611	61	3,672	851	2,086	53	2,990	1,060	4,050
1924	3,227	93	3,320	1,104	1,558	53	2,715	821	3,536
1925	3,573	95	3,668	713	2,021	33	2,767	995	3,762
1926	3,208	127	3,335	552	1,874	26	2,452	778	3,230
1927	2,692	474	3,166	419	1,539	27	1,985	995	2,980
1928	3,235	189	3,424	798	1,391	34	2,223	569	2,792
1929	3,233	123	3,356	906	1,796	61	2,763	631	3,394
1930	3,317	163	3,480	946	1,647	63	2,656	877	3,533
1931	2,933	470	3,403	599	1,903	27	2,529	839	3,368
1932	1,557	538	2,095	154	762	38	954	921	1,875
1933	2,286	249	2,535	426	1,200	30	1,656	798	2,454
1934	2,293	223	2,516	396	1,136	23	1,555	613	2,168
1935	2,031	471	2,502	413	1,171	34	1,618	885	2,503
1936	2,877	293	3,170	516	1,464	34	2,014	836	2,850
1937	2,643	486	3,129	487	1,591	53	2,131	828	2,959
1938	1,825	728	2,553	354	803	64	1,221	1,037	2,258
1939	1,953	401	2,354	323	1,401	37	1,761	987	2,748
1940	1,763	485	2,248	284	937	62	1,283	813	2,096
1941	2,167	670	2,837	97	907	44	1,048	1,148	2,196
1942	1,394	570	1,964	213	32	123	368	1,310	1,678
1943	1,551	504	2,055	52	..	107	159	1,484	1,643
1944	1,369	509	1,878	42	..	148	190	1,452	1,642
1945	1,509	542	2,051	49	..	119	168	1,493	1,661
1946	1,850	674	2,524	111	282	144	537	1,362	1,899

N.B.—As noted in the Chamber's Report for 1913, the figures shown above represent the volume of trade in cotton from 1st September to 31st August instead of for the year ending 30th June as was previously the case.

* Year ending 30th June.

RAINFALL AT BOMBAY, 1843 TO 1946.

The following statement showing the Rainfall recorded at the Colaba Observatory, Bombay, for each month during the years 1843-1946, is published for the information of members :—

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1843 ..	..	..	..	..	0.15	7.61	20.62	17.70	8.39	0.77	..	..	55.24
1844 ..	0.06	0.33	..	..	..	18.58	29.28	5.91	8.05	0.40	..	0.10	62.71
1845 ..	..	..	..	..	..	17.88	18.07	9.54	8.63	..	..	..	54.12
1846 ..	..	..	..	..	..	26.41	33.19	6.65	6.65	1.03	..	..	73.93
1847 ..	0.09	0.02	..	0.31	1.40	37.56	16.46	8.68	5.68	0.28	5.53	..	76.01
1848 ..	..	..	..	0.59	5.67	39.98	13.90	7.37	2.32	5.84	0.19	..	75.86
1849 ..	0.34	..	..	..	..	23.41	50.99	12.66	26.13	0.75	0.61	..	114.89
1850 ..	..	..	..	..	..	14.80	20.15	5.39	4.77	4.89	0.25	..	50.25
1851 ..	..	..	..	..	0.52	24.50	47.02	20.03	3.89	0.04	0.07	..	96.07
1852 ..	..	..	0.01	..	0.30	21.76	22.17	11.16	12.67	0.19	..	1.01	69.27
1853 ..	..	0.05	0.02	..	..	33.70	13.05	5.95	9.83	..	..	..	62.60
1854 ..	..	..	..	..	..	16.34	38.95	3.90	13.61	7.49	1.85	..	82.14
1855 ..	..	..	..	..	..	29.18	11.83	3.82	5.29	9.06	..	..	50.18
1856 ..	..	..	..	..	2.09	24.66	24.48	6.73	7.78	0.06	..	0.12	65.92
1857 ..	..	..	..	..	0.57	9.26	8.74	15.71	14.21	2.78	..	..	51.27
1858 ..	..	..	..	0.15	1.57	14.44	20.12	7.48	15.47	3.22	..	..	62.45
1859 ..	..	..	..	..	..	26.87	28.70	14.59	5.94	1.06	..	..	77.16
1860 ..	..	..	..	..	0.03	21.97	22.39	7.11	8.15	2.50	..	..	62.15
1861 ..	..	..	..	..	0.69	15.43	25.34	30.35	3.24	1.86	..	..	76.91
1862 ..	..	..	..	..	0.01	22.31	15.10	12.65	21.69	1.42	0.45	..	73.63
1863 ..	0.41	..	..	0.11	0.07	23.41	30.78	10.60	9.98	2.32	..	..	77.68
1864 ..	..	..	..	..	0.01	15.42	13.36	10.72	5.59	..	0.47	..	45.57
1865 ..	0.38	..	..	..	..	10.61	18.28	36.42	4.86	6.16	1.14	..	77.85
1866 ..	..	0.11	..	..	..	13.47	40.34	20.34	3.44	0.74	..	..	78.44
1867 ..	..	..	..	..	..	8.70	39.39	12.21	6.80	5.07	0.13	..	72.30
1868 ..	..	..	0.01	..	..	13.52	20.43	20.29	7.71	0.14	0.02	..	62.12
1869 ..	..	..	..	..	0.03	26.22	23.89	15.24	22.56	3.55	0.05	0.12	91.66
1870 ..	..	..	0.03	0.02	..	21.73	26.43	6.27	7.08	4.65	..	..	66.21
1871 ..	2.22	..	..	..	1.25	8.91	9.96	8.95	6.01	0.25	2.97	0.06	40.58
1872 ..	..	..	..	..	0.06	24.43	24.84	9.49	16.59	1.07	..	..	76.48
1873 ..	..	0.05	..	..	0.51	20.36	16.98	23.96	7.77	0.07	..	..	69.70
1874 ..	..	..	..	..	0.05	18.68	41.24	11.14	11.05	0.02	..	..	82.18
1875 ..	0.47	..	..	..	..	24.36	15.39	12.23	31.76	..	0.35	..	84.56
1876 ..	..	..	..	..	0.01	12.97	23.69	8.66	4.68	..	..	..	50.01
1877 ..	0.22	0.52	..	..	..	35.58	11.10	8.51	8.89	8.33	..	..	73.15
1878 ..	0.03	..	..	0.02	0.02	19.99	48.33	20.46	16.42	4.89	2.61	..	112.77
1879 ..	..	..	0.03	..	5.23	16.56	11.21	22.36	5.61	0.40	..	..	61.40
1880 ..	..	0.01	0.02	..	..	21.48	18.37	4.08	22.80	1.18	..	..	67.94
1881 ..	..	..	0.04	..	0.36	15.29	29.47	19.06	4.56	4.17	0.09	..	73.04
1882 ..	..	0.04	0.02	0.08	0.02	27.54	26.94	3.36	10.08	1.12	0.03	..	69.23
1883 ..	0.12	..	..	..	0.33	13.65	39.88	12.57	12.37	10.40	0.86	..	90.18
1884 ..	0.03	..	..	..	..	13.25	25.87	15.29	17.04	2.22	0.60	1.14	75.44
1885 ..	..	..	..	..	0.02	5.11	21.81	25.42	12.01	3.54	..	..	67.91
1886 ..	..	..	..	0.01	0.96	43.45	35.79	10.69	6.54	1.69	0.61	..	99.74
1887 ..	..	..	..	0.02	0.09	24.07	30.98	17.59	18.23	2.79	1.02	0.16	94.95
1888 ..	1.85	0.02	0.10	..	..	15.76	22.47	11.43	4.92	0.11	1.16	..	57.82
1889 ..	..	..	..	..	0.67	19.89	30.45	10.32	2.71	3.80	..	..	67.84
1890 ..	..	..	..	0.01	0.06	24.55	21.54	10.61	6.45	0.58	1.25	1.13	66.18
1891 ..	..	..	0.22	..	..	13.99	32.48	6.94	22.53	1.04	..	..	77.20
1892 ..	..	..	..	..	0.11	13.30	23.86	36.56	18.73	1.89	0.67	..	95.12
1893 ..	..	0.14	..	0.02	6.30	21.47	16.14	13.55	7.54	0.45	1.63	..	67.24
1894 ..	0.22	..	0.06	0.01	..	16.87	26.16	8.40	12.04	3.08	..	0.01	66.85
1895 ..	..	0.07	..	..	0.08	17.84	18.04	15.97	11.91	3.62	0.06	..	67.59
1896 ..	..	..	..	..	0.26	28.02	36.44	20.77	1.62	0.01	0.53	..	87.65
1897 ..	0.01	..	..	..	..	14.40	30.19	13.82	20.60	2.51	0.22	..	81.75
1898 ..	..	0.17	..	..	0.16	27.21	20.72	5.28	19.94	0.48	0.13	..	74.09
1899 ..	..	..	..	1.57	0.08	20.81	4.72	5.23	3.49	..	..	..	35.90
1900 ..	..	..	..	..	..	18.26	25.75	17.62	7.49	..	..	..	69.12
1901 ..	0.74	..	..	0.04	0.01	25.36	32.70	14.27	1.81	0.39	..	..	75.32

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1902	..	..	..	..	..	9.77	16.96	16.53	27.11	0.78	0.01	0.81	71.97
1903	..	..	..	0.17	..	7.79	19.75	24.82	18.23	7.82	5.91	..	..	84.49
1904	..	..	..	0.07	..	0.02	15.10	10.14	5.72	1.81	0.56	..	..	33.42
1905	..	..	0.08	..	..	..	6.53	15.30	4.35	6.16	0.20	1.04	..	33.56
1906	..	..	0.45	..	..	..	12.91	18.34	20.92	3.98	..	..	..	56.30
1907	..	..	9.27	..	0.06	..	22.48	59.05	15.99	2.26	0.67	..	..	100.73
1908	..	0.09	0.07	0.06	..	..	12.39	23.65	9.87	6.79	0.62	..	..	53.54
1909	..	..	..	..	..	..	16.60	30.05	8.52	16.05	..	..	..	71.22
1910	..	..	..	..	..	0.03	23.50	6.50	18.15	15.25	4.29	0.14	..	67.86
1911	..	0.06	..	..	..	0.04	10.85	15.24	17.09	2.96	..	0.27	..	46.51
1912	..	..	..	..	..	0.43	10.79	25.40	9.90	3.26	0.65	3.62	..	54.05
1913	..	..	0.07	..	..	..	25.81	33.33	3.72	5.75	2.35	..	..	71.03
1914	..	..	0.08	..	0.07	..	16.65	30.13	13.27	21.06	0.01	0.18	..	81.45
1915	..	..	0.30	0.69	0.06	0.36	39.78	14.62	8.45	10.78	2.55	0.02	..	77.61
1916	..	..	..	..	0.04	0.07	23.43	22.78	19.51	14.59	4.79	0.72	..	85.93
1917	..	..	1.68	..	..	0.88	14.96	13.26	32.18	16.92	19.96	..	..	99.84
1918	..	..	..	1.46	..	11.00	10.82	4.25	4.81	3.11	..	0.09	..	35.54
1919	..	0.11	..	..	..	..	16.31	31.30	10.85	8.03	1.54	0.18	..	68.32
1920	..	0.99	0.33	..	..	..	8.16	22.00	5.18	4.05	0.34	..	..	41.05
1921	..	..	..	..	..	..	26.74	35.68	10.36	13.02	0.22	..	..	86.02
1922	..	..	..	..	..	..	26.48	31.15	5.08	6.95	0.61	..	0.14	70.41
1923	..	..	0.05	..	0.02	..	7.19	43.26	8.72	18.32	..	..	..	77.56
1924	..	..	..	..	..	..	7.46	16.73	15.43	12.13	0.06	0.38	..	52.19
1925	..	..	..	..	..	2.76	27.86	8.38	7.71	3.52	0.22	0.37	..	50.82
1926	..	2.99	..	..	..	0.10	6.19	30.88	22.21	8.98	1.29	..	..	72.64
1927	..	..	0.04	0.03	..	..	32.52	16.85	6.74	5.33	7.30	5.48	0.09	74.38
1928	..	..	0.01	..	..	..	27.71	30.93	16.65	9.91	0.43	0.09	..	85.72
1929	..	0.63	..	0.02	0.04	..	25.45	16.08	6.06	5.58	4.82	0.22	0.86	59.70
1930	..	..	..	..	..	0.02	26.71	10.26	6.64	43.85	2.50	..	..	89.98
1931	..	..	..	..	0.01	..	6.08	47.50	23.71	4.48	13.07	2.40	0.69	97.94
1932	..	..	..	..	..	..	10.62	35.30	6.96	11.13	9.01	0.01	..	73.03
1933	..	..	..	..	..	2.85	10.29	14.13	18.81	12.31	3.04	0.01	0.93	62.37
1934	..	..	..	..	..	..	28.51	21.40	14.00	5.90	0.20	3.80	..	73.81
1935	..	..	..	..	..	..	27.69	24.10	16.69	11.90	1.04	0.18	..	81.60
1936	..	..	..	..	..	0.33	32.63	8.09	9.27	5.72	0.01	2.31	..	58.36
1937	..	..	0.50	..	0.10	..	18.32	30.40	5.40	14.20	1.70	..	..	70.62
1938	..	..	..	..	..	1.29	31.30	16.00	16.77	10.35	15.17	1.13	..	92.01
1939	..	..	..	..	..	..	4.67	38.07	10.88	5.39	0.17	..	..	54.18
1940	..	..	..	..	..	..	29.98	21.03	28.27	11.26	4.89	0.76	..	96.19
1941	..	..	..	..	..	..	12.20	9.96	5.93	6.03	1.62	..	..	35.74
1942	..	..	..	..	..	..	27.39	32.36	8.23	13.45	..	..	0.29	81.72
1943	..	0.28	..	..	..	6.02	30.19	29.62	3.28	8.15	3.77	0.04	..	81.35
1944	..	..	..	0.07	..	0.20	9.47	45.56	16.32	1.68	0.80	..	..	74.10
1945	..	0.82	..	..	..	..	24.36	31.87	26.10	6.16	0.70	0.37	..	90.38
1946	..	..	..	..	..	0.23	21.61	16.29	15.23	17.90	0.81	6.46	0.61	79.14

WORKING CLASS COST OF LIVING INDEX NUMBERS IN BOMBAY.

For purpose of record there is set out below a table giving the working class cost of living index numbers in Bombay for the years 1939 to 1946.

Average Prices from July 1933 *to July* 1934 = 100.

Months	1939	1940	1941	1942	1943	1944	1945	1946
January	105	114	117	137	203	238	229	242
February	104	112	119	135	205	230	229	243
March	103	110	119	137	208	226	225	247
April	103	110	121	138	225	231	226	248
May	103	111	122	142	227	235	230	249
June	104	111	122	152	235	236	235	259
July	105	113	126	168	236	241	240	268
August	105	114	131	168	238	250	243	267
September	106	112	129	170	245	239	240	270
October	108	113	125	172	248	239	242	264
November	109	113	126	178	248	242	242	272
December	113	115	129	188	247	236	242	279

List showing the various Statistical Returns and other their respective

As in force from 1st

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January 1936.)

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			20 0 0	1 8 0	Inland.
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			6 0 0	0 8 0	Inland.
250 0 0	25 0 0	3 2 0	5 0 0	0 6 0	Mail.
			6 0 0	0 8 0	Inland.
40 0 0	4 0 0	1 8 0	3 0 0	0 4 0	
40 0 0	..	5 0 0	1 0 0	0 1 0	
40 0 0	..	5 0 0	1 0 0	0 1 0	
30 0 0	..	3 12 0	1 0 0	0 1 0	
80 0 0	..	7 8 0	1 0 0	0 1 0	
37 8 0	..	3 2 0	1 8 0	0 2 0	Mail.
			1 0 0	0 1 0	Inland.
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				0 0 9	Mail.
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				1 0 0	Mail.
..	..	15 0 0	..	0 8 0	Inland.
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